FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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AYTU BIOPHARMA, INC
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended: March 31, 2021 or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 001-38247

AYTU BIOPHARMA, INC.
(www.aytubio.com)

Delaware	**47-0883144**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

373 Inverness Parkway, Suite 206

Englewood, Colorado 80112

(Address of principal executive offices, including zip code)

(720) 437-6580

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐

Non-accelerated filer	☒	Smaller reporting company	☒
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	AYTU	The NASDAQ Stock Market LLC

As of May 10, 2021, there were 25,170,596 shares of Common Stock outstanding.

AYTU BIOPHARMA, INC. AND SUBSIDIARIES FOR THE QUARTER ENDED March 31, 2021

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PART I—FINANCIAL INFORMATION

PART II—OTHER INFORMATION

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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 Quarterly Report, including statements regarding our anticipated future clinical and regulatory events, future financial position, business strategy and plans and objectives of management for future operations, 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. Such forward-looking statements include, without limitation: the planned expanded commercialization of our products and the potential future commercialization of our product candidates; our planned product candidate development strategy; our anticipated future cash position; our plan to acquire additional assets; our anticipated future growth rates; anticipated sales increases; anticipated net revenue increases; amounts of certain future expenses and costs of goods sold; anticipated increases to operating expenses, research and development expenses, and selling, general, and administrative expenses; and future events under our current and potential future collaborations.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including without limitation the risks described in "Risk Factors" in Part II Item 1A of our most recent Annual Report on Form 10- K, and in the reports we file with the Securities and Exchange Commission. These risks are not exhaustive. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements should not be relied upon as predictions of future events. We can provide no assurance that the events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. We assume no obligation to update or supplement forward-looking statements, except as may be required under applicable law.

This Quarterly Report on Form 10-Q includes trademarks, such as Aytu, Karbinal®, Poly-Vi-Flor®, Tuzistra®, and ZolpiMist®, consumer health products such as DiabaSens®, FlutiCare®, UriVarx® and Vesele®, as well as Beyond Human®, a specialty marketing platform, and the recently acquired ADHD products such as Adzenys XR-ODT®, Cotempla XR-ODT® and Adzenys ER®, which are protected under applicable intellectual property laws and we own or have the rights to. Solely for convenience, our trademarks and trade names referred to in this Quarterly Report on Form 10-Q may appear without the ® or TM symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

AYTU BIOPHARMA, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	March 31, 2021 (Unaudited)	June 30, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 46,537,958	$ 48,081,715
Restricted cash	251,995	251,592
Accounts receivable, net	28,228,434	5,632,717
Inventory	16,575,757	9,999,441
Prepaid expenses	6,803,583	5,715,089
Other current assets	1,615,024	5,742,011
Total current assets	100,012,751	75,422,565
Fixed assets, net	5,557,727	258,516
Operating lease right-of-use asset	3,781,737	634,093
Intangible assets, net	96,236,796	48,854,561
Goodwill	65,802,636	28,090,407
Other long-term assets	164,954	32,981
Total long-term assets	171,543,850	77,870,558
Total assets	$ 271,556,601	$ 153,293,123

See the accompanying Notes to the Condensed Consolidated Financial Statements

AYTU BIOPHARMA, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets, cont'd

	March 31, 2021 (Unaudited)	June 30, 2020
Liabilities		
Current liabilities		
Accounts payable and other	$ 16,528,646	$ 11,824,560
Accrued liabilities	43,181,920	8,645,984
Accrued compensation	10,510,228	3,117,177
Notes payable	–	982,076
Short-term line of credit	4,738,825	–
Current portion of debt	725,357	–
Current portion of operating lease liabilities	910,885	300,426
Current portion of fixed payment arrangements	1,998,012	2,340,166
Current portion of CVR liabilities	911,826	839,734
Current portion of contingent consideration	4,177,282	713,251
Total current liabilities	83,682,981	28,763,374
Long-term debt, net of current portion	16,930,682	–
Long-term operating lease liability, net of current portion	2,871,845	725,374
Long-term fixed payment arrangements, net of current portion	9,422,768	11,171,491
Long-term CVR liabilities, net of current portion	4,679,227	4,731,866
Long-term contingent consideration, net of current portion	10,726,691	12,874,351
Other long-term liabilities	92,894	11,371
Total liabilities	128,407,088	58,277,827
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred Stock, par value $.0001; 50,000,000 shares authorized; shares issued and outstanding 0 and 0, respectively as of March 31, 2021 and June 30, 2020, respectively.	–	–
Common Stock, par value $.0001; 200,000,000 shares authorized; shares issued and outstanding 23,457,887 and 12,583,736, respectively as of March 31, 2021 and June 30, 2020.	2,346	1,259
Additional paid-in capital	302,448,362	215,024,216
Accumulated deficit	(159,301,195)	(120,010,179)
Total stockholders' equity	143,149,513	95,015,296
Total liabilities and stockholders' equity	$ 271,556,601	$ 153,293,123

See accompanying Notes to the Condensed Consolidated Financial Statements

AYTU BIOPHARMA, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations
(unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	**2020**	**2021**	**2020**
Revenues				
Product revenue, net	$ 13,482,282	$ 8,156,173	$ 42,149,561	$ 12,771,235
Operating expenses				
Cost of sales	13,682,297	1,998,659	23,499,842	2,980,425
Research and development	389,262	78,502	858,698	223,197
Selling, general and administrative	12,851,087	9,190,386	35,825,175	19,494,368
Acquisition related costs	1,536,800	311,083	2,849,037	1,533,723
Restructuring costs	4,818,064	–	4,874,723	135,981
Amortization and impairment of intangible assets	5,870,436	1,370,986	9,039,597	2,899,553
Total operating expenses	39,147,946	12,949,616	76,947,072	27,267,247
Loss from operations	(25,665,664)	(4,793,443)	(34,797,511)	(14,496,012)
Other (expense) income				
Other (expense), net	(425,425)	(538,862)	(1,555,924)	(1,181,206)
Gain / (Loss) from change in fair value of contingent consideration	631,298	–	(2,680,022)	–
Gain from derecognition of contingent consideration	–	–	–	5,199,806
Gain from warrant derivative liability	–	–	–	1,830
Loss on debt exchange	–	–	(257,559)	–
Total other (expense) income	205,873	(538,862)	(4,493,505)	4,020,430
Net loss	$(25,459,791)	$ (5,332,305)	$(39,291,016)	$(10,475,582)
Weighted average number of common shares outstanding	18,092,465	3,527,530	14,490,219	2,261,697
Basic and diluted net loss per common share	$ (1.41)	$ (1.51)	$ (2.71)	$ (4.63)

See the accompanying Notes to the Condensed Consolidated Financial Statements.

AYTU BIOPHARMA, INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Stockholders' Equity
(unaudited unless indicated otherwise)

	Preferred Stock		Common Stock		Additional paid-in capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
BALANCE - June 30, 2019 (audited)	3,594,981	$ 359	1,753,808	$ 176	$ 113,476,783	$ (106,389,500)	$ 7,087,818
Stock-based compensation	–	–	–	–	165,171	–	165,171
Preferred stock converted in common stock	(443,833)	(44)	44,384	5	39	–	–
Net loss	–	–	–	–	–	(4,929,030)	(4,929,030)
BALANCE - September 30, 2019	3,151,148	$ 315	1,798,192	$ 181	$ 113,641,993	$ (111,318,530)	$ 2,323,959
Stock-based compensation	–	$ –	–	$ –	$ 162,264	$ –	$ 162,264
Issuance of Series F preferred stock from October 2019 private placement financing, net of $741,650 issuance costs	10,000	1	–	–	5,249,483	–	5,249,484
Warrants issued in connection with the private placement	–	–	–	–	4,008,866	–	4,008,866
Issuance of Series G preferred stock due to acquisition of the Cerecor portfolio of pediatrics therapeutics	9,805,845	981	–	–	5,558,933	–	5,559,914
Preferred stock converted in common stock	(2,751,148)	(275)	275,115	28	247	–	–
Net loss	–	–	–	–	-	(214,247)	(214,247)
BALANCE - December 30, 2019	10,215,845	$ 1,022	2,073,307	$ 209	$ 128,621,786	$ (111,532,777)	$ 17,090,240
Stock-based compensation	–	$ –	106,792	$ 11	$ 263,380	$ –	$ 263,391
Cashless warrant exercise	–	–	791,577	80	(80)	–	–
Issuance of Series H preferred stock and common stock due to acquisition of Innovus	1,997,902	200	380,972	39	4,405,945	–	4,406,184
Preferred stock converted in common stock	(2,407,902)	(241)	1,239,791	124	92,997	–	92,880
Warrant exercises	–	–	1,708,300	171	22,989,495	–	22,989,666
Issuance of common stock, net of $4,523,884 in cash issuance costs	–	–	3,636,528	364	33,278,392	–	33,278,756
Warrants issued in connection with the registered offering	–	–	–	–	9,723,161	–	9,723,161
Warrants issued in connection with the registered offering to the	–	–	–	–	1,458,973	–	1,458,973

placement agents, non-cash issuance costs							
CVR payouts	–	–	123,777	13	1,732,857	–	1,732,870
Net loss	–	–	–	–	–	(5,332,305)	(5,332,305)
BALANCE - March 31, 2020	9,805,845	$ 981	10,061,044	$ 1,011	$202,566,906	$ (116,865,082)	$ 85,703,816

	Preferred Stock		Common Stock		Additional paid-in capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
BALANCE - June 30, 2020 (audited)	–	$ –	12,583,736	$ 1,259	$215,024,216	$ (120,010,179)	$ 95,015,296
Stock-based compensation	–	–	–	–	454,918	–	454,918
Issuance costs	–	–	–	–	(101,537)	–	(101,537)
Net loss	–	–	–	–	–	(4,305,931)	(4,305,931)
BALANCE - September 30, 2020	–	$ –	12,583,736	$ 1,259	$215,377,597	$ (124,316,110)	$ 91,062,746
Stock-based compensation	–	$ –	–	$ –	$ 508,059	$ –	$ 508,059
Exchange of debt for common stock	–	–	130,081	13	1,057,546	–	1,057,559
Issuance of common stock, net of issue costs and warrants	–	–	5,169,076	516	28,316,928	–	28,317,444
Warrants issued in connection with common stock offering	–	–	–	–	1,272,154	–	1,272,154
Net loss	–	–	–	–	–	(9,525,294)	(9,525,294)
BALANCE - December 31, 2020	–	$ –	17,882,893	$ 1,788	$246,532,284	$ (133,841,404)	$ 112,692,668
Stock-based compensation	–	$ –	–	$ –	$ 1,381,429	$ –	$ 1,381,429
Issuance of common stock due to acquisition, net of $137,735 in costs	–	–	5,471,804	548	53,102,370	–	53,102,918
Estimated fair value of replacement equity awards	–	–	–	–	432,289	–	432,289
CVR payouts	–	–	103,190	10	999,990	–	1,000,000
Net loss	–	–	–	–	–	(25,459,791)	(25,459,791)
BALANCE - March 31, 2021	–	$ –	23,457,887	$ 2,346	$302,448,362	$ (159,301,195)	$ 143,149,513

See the accompanying Notes to the Condensed Consolidated Financial Statements

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AYTU BIOPHARMA, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows
(unaudited)

	Nine Months Ended March 31,	
	2021	**2020**
Operating Activities		
Net loss	$ (39,291,016)	$ (10,475,582)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation, amortization and accretion	10,301,150	3,780,310
Stock-based compensation expense	2,485,330	590,826
Loss from change in fair value of contingent consideration	2,680,022	–
Inventory write-down	7,227,230	–
(Gain) from derecognition of contingent consideration	–	(5,199,806)
(Gain) on the change in fair value of CVR payout	–	(267,130)
Amortization of senior debt issuance costs and discounts	(21,916)	–
Loss on sale of equipment	112,110	–
(Gain) on termination of lease	(343,185)	–
Loss on debt exchange	257,559	–
Changes in allowance for bad debt	335,036	–
Derivative income	–	(1,830)
Changes in operating assets and liabilities:		
Accounts receivable	1,772,274	(8,183,810)
Inventory	(4,390,470)	(345,452)
Prepaid expenses	1,607,170	(1,611,681)
Other current assets	6,065,996	(358,022)
Accounts payable and other	(6,155,583)	(4,912,245)
Accrued liabilities	(5,556,614)	6,761,319
Accrued compensation	3,263,723	271,560
Fixed payment arrangements	–	(657,655)
Operating lease liabilities	(26,648)	–
Net cash used in operating activities	(19,677,832)	(20,609,198)
Investing Activities		
Deposit	(3,923)	–
Contingent consideration payment	(683,241)	(151,648)
Cash received from acquisition	15,721,797	390,916
Cash payment for business acquisition	(15,398,727)	(5,850,000)
Net cash used in investing activities	(364,094)	(5,610,732)
Financing Activities		
Issuance of preferred, common stock and warrants	32,249,652	58,999,666
Issuance cost related to registered offering	(4,430,516)	(5,280,426)
Payments made on short-term line of credit	(5,968,290)	–
Warrant exercises	–	22,989,666
Preferred stock converted in common stock	–	92,880
Issuance of note payable	–	640,000
Debt payment	(318,181)	–
Payments made to fixed payment arrangements	(3,034,093)	–
Net cash provided by financing activities	18,498,572	77,441,786
Net change in cash, restricted cash and cash equivalents	(1,543,354)	51,221,856

Cash, restricted cash and cash equivalents at beginning of period	48,333,307	11,294,227
Cash, restricted cash and cash equivalents at end of period	$ 46,789,953	$ 62,516,083

See the accompanying Notes to the Condensed Consolidated Financial Statements.

AYTU BIOPHARMA, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows, cont'd
(unaudited)

	Nine Months Ended March 31,	
Supplemental disclosures of cash and non-cash investing and financing transactions	**2021**	**2020**
Warrants issued to underwriters	$ 1,628,293	$ -
Cash paid for interest	448,603	392,641
Fair value of right-to-use asset and related lease liability	66,182	354,929
Issuance of Series G preferred stock due to acquisition of the Cerecor portfolio of pediatrics therapeutics	–	5,559,914
Issuance of Series H preferred stock due to acquisition of the Innovus	–	12,805,263
Issuance related to acquisition of Neos	53,240,653	–
Fair value of non-cash assets acquired	104,321,912	–
Fair value of liabilities assumed	88,699,892	–
Estimated fair value of replacement equity awards	432,289	
Inventory payment included in accounts payable	–	460,416
Return deductions received by Cerecor	–	2,000,000
Contingent value rights payout	1,000,000	–
Contingent consideration included in accounts payable	–	27,571
Issuance of restricted stock	–	107
Cashless warrant exercises	–	792
Debt exchange	1,057,559	–
Fixed payment arrangements included in accrued liabilities	1,575,000	501,766
Exchange of convertible preferred stock into common stock	$ –	$ 1,559

See the accompanying Notes to the Condensed Consolidated Financial Statements

AYTU BIOPHARMA, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Nature of Business, Financial Condition, Basis of Presentation

Nature of Business. Aytu BioPharma, Inc. ("Aytu", the "Company" or "we") is a commercial-stage specialty pharmaceutical company focused on commercializing novel therapeutics and consumer healthcare products. The Company currently operates the Aytu BioPharma business, consisting of the prescription pharmaceutical products (the "Rx Portfolio"), and Aytu consumer healthcare products business (the "Consumer Health Portfolio"). The Rx Portfolio is focused on commercializing prescription pharmaceutical products for the treatment of attention deficit hyperactivity disorder ("ADHD"), allergies, insomnia, and various pediatric conditions. The Aytu consumer health business is focused on commercializing consumer healthcare products. The Company was incorporated as Rosewind Corporation on August 9, 2002 in the State of Colorado and was re-incorporated in the state of Delaware on June 8, 2015.

The Rx Portfolio consists of (i) Adzenys XR-ODT (amphetamine) extended-release orally disintegrating tablets, Cotempla XR-ODT (methylphenidate) extended-release orally disintegrating tablets and Adzenys-ER (amphetamine) extended-release oral suspension for the treatment of attention deficit hyperactivity disorder (ii) Poly-Vi-Flor and Tri-Vi-Flor, two complementary prescription fluoride-based supplement product lines containing combinations of fluoride and vitamins in various formulations for infants and children with fluoride deficiency, (iii) Karbinal ER, an extended-release carbinoxamine (antihistamine) suspension indicated to treat numerous allergic conditions, (iv) ZolpiMist, the only FDA-approved oral spray prescription sleep aid, (v) Tuzistra XR, the only FDA-approved 12-hour codeine-based antitussive syrup and (vi) a generic Tussionex (hydrocodone and chlorpheniramine) ("generic Tussionex"), extended-release oral suspension for the treatment of cough and upper respiratory symptoms of a cold.

The Consumer Health Portfolio consists of over twenty consumer health products competing in large healthcare categories including diabetes, men's health, sexual wellness and respiratory health commercialized through direct-to-consumer marketing channels utilizing the Company's proprietary Beyond Human marketing and sales platform and on e-commerce platforms.

On March 31, 2021, the Company and Acerus Pharmaceuticals Corporation ("Acerus") entered into a termination and transition agreement (the "Termination Agreement") to terminate the License and Supply Agreement previously entered into on July 29, 2019 related to Natesto®. Pursuant to the Termination Agreement, the Company ceased all sales, marketing and promotion of Natesto, and Acerus agreed to pay the Company an aggregate amount of $7.5 million, payable in equal monthly installment payments of $250,000 for a period of 30 consecutive months.

On March 19, 2021, the Company acquired Neos Therapeutics, Inc. ("Neos"), a commercial-stage pharmaceutical company developing and manufacturing central nervous system-focused products (the "Neos Merger"). Neos commercializes Adzenys XR-ODT, Cotempla XR-ODT and Adzenys-ER in the United States using Neos' internal commercial organization. These commercial products are extended-release ("XR") medications in patient-friendly, orally disintegrating tablet ("ODT") or oral suspension dosage forms that utilize Neos' microparticle modified-release drug delivery technology platform. Neos received approval from the U.S. Food and Drug Administration ("FDA") for these three products. In addition, Neos manufactures and sells a generic Tussionex.

In April of 2020, the Company entered into a licensing agreement with Cedars-Sinai Medical Center to secure worldwide rights to various potential esophageal and nasopharyngeal uses of Healight, an investigational medical device platform technology. Healight has demonstrated safety and efficacy in a proof-of-concept clinical study in SARS-CoV-2 patients, and the Company plans to advance this technology to further assess its safety and efficacy in additional randomized, controlled human studies, initially focused on SARS-CoV-2 patients.

The Company's strategy is to continue building its portfolio of revenue-generating products, leveraging its commercial team's expertise to build leading brands within large therapeutic markets.

Financial Condition. As of March 31, 2021, the Company had approximately $46.8 million of cash, cash equivalents and restricted cash. The Company's operations have historically consumed cash and are expected to continue to consume cash.

Revenues for the three- and nine-months ended March 31, 2021 were $13.5 million and $42.1 million, compared to $8.2 million and $12.8 million for the same periods ended March 31, 2020, an increase of approximately 65% and 230%, respectively. Revenue is expected to increase over time, which will allow the Company to rely less on the Company's existing cash balance and proceeds from financing transactions. Cash used by operations during the nine-months ended March 31, 2021 was $19.7 million compared to $20.6 million for the nine-months ended March 31, 2020. The decrease is due primarily to a decrease in working capital and pay down of other liabilities.

As of the date of this Report, the Company expects its costs for operations to increase as the Company integrates the Neos acquisition, invests in new product development, continues to focus on revenue growth through increasing product sales and additional acquisitions. The Company's current assets totaling approximately $100.0 million as of March 31, 2021 plus the proceeds expected from ongoing product sales will be used to fund existing operations. The Company may continue to access the capital markets from time-to-time when market conditions are favorable. The timing and amount of capital that may be raised is dependent on the terms and conditions upon which investors would require to provide such capital. There is no guarantee that capital will be available on terms favorable to the Company and its stockholders, or at all. Upon closing of the Neos merger, on March 19, 2021, the Company paid down $15.4 million of Neos' senior secured long-term debt, including accrued interest and $5.5 million of merger costs incurred by Neos. The Company did not issue any common stock under the Company's at-the-market offering program during the three months ended March 31, 2021. As of the date of this report, the Company has adequate capital resources to complete its near-term operating objectives.

Since the Company has sufficient cash on-hand as of March 31, 2021 to cover potential net cash outflows for the twelve months following the filing date of this Quarterly Report, the Company reports that there exists no indication of substantial doubt about its ability to continue as a going concern.

If the Company is unable to raise adequate capital in the future when it is required, the Company's management can adjust its operating plans to reduce the magnitude of the Company's capital need under its existing operating plan. Some of the adjustments that could be made include delays of and reductions to commercial programs, reductions in headcount, narrowing the scope of the Company's commercial plans, or reductions or delays to its research and development programs. Without sufficient operating capital, the Company could be required to relinquish rights to products or renegotiate to maintain such rights on less favorable terms than it would otherwise choose. This may lead to impairment or other charges, which could materially affect the Company's balance sheet and operating results.

Basis of Presentation. The unaudited condensed consolidated financial statements contained in this report represent the financial statements of the Company and its wholly-owned subsidiaries, Innovus Pharmaceuticals, Inc., Aytu Therapeutics, LLC and Neos Therapeutics, Inc. The unaudited consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2020, which included all disclosures required by generally accepted accounting principles in the United States ("GAAP"). In the opinion of management, these unaudited consolidated financial statements contain all adjustments necessary to present fairly the financial position of the Company and the results of operations and cash flows for the interim periods presented. The results of operations for the period ended March 31, 2021 are not necessarily indicative of expected operating results for the full year. The information presented throughout this report, as of March 31, 2021 and for the three and nine months ended March 31, 2021, and 2020, is unaudited.

On December 8, 2020, the Company effected a reverse stock split in which each common stockholder received one share of common stock for every 10 shares held (herein referred to collectively as the "Reverse Stock Split"). All share and per share amounts in this report have been adjusted to reflect the effect of the Reverse Stock Split.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent consideration, contingent value rights ("CVRs"), and fixed payment obligations at the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to the determination of the fair value of equity awards, the fair value of identified assets and liabilities acquired in business combinations, net realizable value of inventory, the useful lives of property and equipment, intangible assets, impairment of long-lived and intangible assets, including goodwill, provisions for doubtful accounts receivable, certain accrued expenses, and the discount rate used in measuring lease liabilities. These estimates and assumptions are based on the Company's historical results and management's future expectations. Actual results could differ from those estimates.

Reclassification

The Company historically presented accrued distributor fees as a reduction to accounts receivable. However, beginning this quarterly report and for the comparative periods presented, accrued distributors fees will be presented in accrued liabilities instead of accounts receivable. As of June 30, 2020, accrued distributor fees included in accounts receivable, net on the balance sheet was $457,000. This reclassification will have no impact on the Company's statements of operation and cash flows presented in this quarterly report.

Significant Accounting Policies

The Company's significant accounting policies are discussed in Note 2—Summary of Significant Accounting Policies and Recent Accounting Pronouncements in the Annual Report. There have been no significant changes to these policies that have had a material impact on the Company's unaudited condensed consolidated financial statements and related notes during the three and nine months ended March 31, 2021.

Adoption of New Accounting Pronouncements

Fair Value Measurements ("ASU 2018-13"). In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820) Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement." The amendments in the standard apply to all entities that are required, under existing GAAP, to make disclosures about recurring or nonrecurring fair value measurements. ASU 2018-13 removes, modifies, and adds certain disclosure requirements in ASC 820, Fair Value Measurement. The standard is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019.

The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The Company adopted this as of July 1, 2020, the beginning of the Company's fiscal year-ended June 30, 2021. The most relevant component of ASU 2018-13 to the Company's financial statements relates to the need to disclose the range and weighted-average of significant unobservable inputs used in Level 3 fair value measurements. However, the Company discloses on a discrete basis all significant inputs for all Level 3 Fair Value measurements.

Recent Accounting Pronouncements

Financial Instruments – Credit Losses ("ASU 2016-13"). In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses" to require the measurement of expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable forecasts. The main objective of this ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The standard was effective for interim and annual reporting periods beginning after December 15, 2019. However, in October 2019, the FASB approved deferral of the adoption date for smaller reporting companies for fiscal periods beginning after December 15, 2022. Accordingly, the Company's fiscal year of adoption will be the fiscal year ended June 30, 2024. Early adoption is permitted for interim and annual reporting periods beginning after December 15, 2018, but the Company did not elect to early adopt. The Company is currently assessing the impact that ASU 2016-13 will have on its consolidated financial statements, but no conclusion has been reached.

This Quarterly Report on Form 10-Q does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to the Company's financial condition, results of operations, cash flows or disclosures.

2. Acquisitions

The Pediatric Portfolio

On October 10, 2019, the Company entered into the Purchase Agreement with Cerecor, Inc. ("Cerecor") to acquire a line of prescription pediatric products, (the "Pediatric Portfolio"), which closed on November 1, 2019. At closing, the Pediatric Portfolio consisted of four main prescription products (i) Cefaclor™ for Oral Suspension, (ii) Karbinal® ER (iii) Poly-Vi-Flor®, and (iv) Tri-Vi-Flor™. Total consideration transferred to Cerecor consisted of $4.5 million cash and approximately 980,000 shares of Series G Convertible Preferred Stock. The Company also assumed certain of Cerecor's financial and royalty obligations, and not more than $2.7 million of Medicaid rebates and up to $0.8 million of product returns, of which all $3.5 million has been incurred. The Company also hired the majority of Cerecor's commercial workforce.

In addition, the Company assumed Cerecor obligations due to an investor that include fixed and variable payments aggregating to $25.6 million. The Company assumed fixed monthly payments equal to $0.1 million from November 2019 through January 2021 plus $15.0 million due in January 2021. Monthly variable payments due to the same investor are equal to 15% of net

revenue generated from a subset of the Pediatric Portfolio, subject to an aggregate monthly minimum of $0.1 million, except for January 2020, when a one-time payment of $0.2 million was paid to the investor. The variable payment obligation continues until the earlier of: (i) aggregate variable payments of approximately $9.5 million have been made, or (ii) February 12, 2026. In June 2020, the Company paid down a $15.0 million balloon payment originally owed in January 2021 to reduce the fixed liability.

Further, certain of the products in the Pediatric Portfolio require royalty payments ranging from 12% to 15% of net revenue. One of the products in the Product Portfolio requires the Company to generate minimum annual sales sufficient to represent annual royalties of approximately $2.1 million, in the event the minimum sales volume is not satisfied.

While no equity was acquired by the Company, the transaction was accounted for as a business combination under the acquisition method of accounting pursuant to Topic 805. Accordingly, the tangible and identifiable intangible assets acquired, and liabilities assumed were recorded at fair value as of the date of acquisition, with the remainder of the aggregate purchase price recorded as goodwill. The goodwill recognized is attributable primarily to strategic opportunities related to an expanded commercial footprint and diversified product portfolio that is expected to provide revenue and cost synergies.

The following table summarized the fair value of assets acquired and liabilities assumed at the date of acquisition.

	As of November 1, 2019
Consideration	
Cash and cash equivalents	$ 4,500,000
Fair value of Series G Convertible Preferred Stock	
Total shares issued	9,805,845
Estimated fair value per share of Aytu common stock	$ 0.567
Estimated fair value of equity consideration transferred	5,559,914
Total consideration transferred	$ 10,059,914
Recognized amounts of identifiable assets acquired and liabilities assumed	
Inventory	$ 459,123
Prepaid assets	1,743,555
Other current assets	2,525,886
Intangible assets - product marketing rights	22,700,000
Accrued liabilities	(300,000)
Accrued product program liabilities	(6,683,932)
Assumed fixed payment obligations	$ (29,837,853)
Total identifiable net assets	(9,393,221)
Goodwill	$ 19,453,135

The fair values of intangible assets, including product technology rights were determined using variations of the income approach. Varying discount rates were also applied to the projected net cash flows. The Company believes the assumptions are representative of those a market participant would use in estimating fair value.

The fair value of the net identifiable asset acquired was determined to be $22.7 million, which is being amortized over ten years.

Innovus Merger (Consumer Health Portfolio)

On February 14, 2020, the Company completed the merger with Innovus Pharmaceuticals after approval by the stockholders of both companies on February 13, 2020 (the "Innovus Merger"). Upon the effectiveness of the Innovus Merger, a subsidiary of the Company merged with and into Innovus, and all outstanding Innovus common stock was exchanged for approximately 380,000 shares of the Company's common stock and up to $16.0 million of Contingent Value Rights ("CVRs"). The outstanding Innovus warrants with 'cash out' rights were exchanged for approximately 200,000 shares of Series H Convertible Preferred stock of the Company over a period of time covering February 26, 2020 through March 10, 2020. The remaining Innovus warrants outstanding, those without 'cash out' rights, at the time of the Innovus Merger, continue to be outstanding, and upon exercise, retain the right to the merger consideration offered to Innovus stockholders, including any remaining claims represented by CVRs at the time of exercise. Innovus is now a 100% wholly-owned subsidiary of the Company, ("Aytu Consumer Health").

On March 31, 2020, the Company paid out the first CVR Milestone in the form of approximately 120,000 shares of the Company's common stock to satisfy the $2.0 million obligation as a result of Innovus achieving the $24 million revenue milestone for the calendar year ended December 31, 2019. As a result of this, the Company recognized a gain of approximately $0.3 million during the three months ended March 31, 2020. On March 20, 2021, the Company paid the CVR holders approximately 103,000 shares of the Company's common stock to satisfy one of two $1.0 million 2020 milestones, which relates to the Innovus achievement of $30.0 million in revenues during the 2020 calendar year. As a result of this, the Company recognized a gain of approximately $0.4 million during the three months ended March 31, 2021. The $1.0 million 2020 milestone for the Aytu Consumer Health subsidiary achieving profitability was not met.

In addition, as part of the Innovus Merger, the Company assumed approximately $3.1 million of notes payable, $0.8 million in lease liabilities, and other assumed liabilities associated with Innovus. Of the $3.1 million of notes payable, approximately $2.2 million was converted into approximately 180,000 shares of the Company's common stock since February 14, 2020. Approximately $41,000 remained outstanding as of March 31, 2021.

The following table summarized the fair value of assets acquired and liabilities assumed at the date of acquisition. These estimates are preliminary, pending final evaluation of certain assets and liabilities, and therefore, are subject to revisions that may result in adjustments to the values presented below:

	As of February 14, 2020
Consideration	
Fair Value of Aytu Common Stock	
Total shares issued at close	3,810,393
Estimated fair value per share of Aytu common stock	$ 0.756
Estimated fair value of equity consideration transferred	$ 2,880,581
Fair value of Series H Convertible Preferred Stock	
Total shares issued	1,997,736
Estimated fair value per share of Aytu common stock	$ 0.756
Estimated fair value of equity consideration transferred	$ 1,510,288
Fair value of former Innovus warrants	$ 15,315
Fair value of Contingent Value Rights	7,049,079
Forgiveness of Note Payable owed to the Company	1,350,000
Total consideration transferred	$ 12,805,263

	As of February 14, 2020
Total consideration transferred	$ 12,805,263
Recognized amounts of identified assets acquired and liabilities assumed	
Cash and cash equivalents	$ 390,916
Accounts receivable	278,826
Inventory	1,149,625
Prepaid expenses and other current assets	1,692,133
Other long-term assets	36,781
Right-to-use assets	328,410
Property, plant and equipment	190,393
Trademarks and patents	11,744,000
Accounts payable and accrued other expenses	(7,202,309)
Other current liabilities	(629,601)
Notes payable	(3,056,361)
Lease liability	(754,822)
Total identifiable net assets	$ 4,167,991
Goodwill	$ 8,637,272

The fair values of intangible assets, including product distribution rights were determined using variations of the income approach, specifically the relief-from-royalties method. It also includes customer lists using an income approach utilizing a discounted cash flow model. Varying discount rates were also applied to the projected net cash flows. The CVRs were valued using a Monte-Carlo model. The Company believes the assumptions are representative of those a market participant would use in estimating fair value (see Note 9).

The fair value of the net identifiable assets acquired was determined to be $11.7 million, which is being amortized over a range between 1.5 to 10 years.

Neos Merger (ADHD Portfolio)

On March 19, 2021, the Company completed the Neos Merger with Neos Therapeutics, Inc. after approval by the stockholders of Neos on March 18, 2021 and the approval of the consideration to be delivered by the Company in connection with the merger by the shareholders of Aytu, also on March 18, 2021. Upon the effectiveness of the Neos Merger, a subsidiary of the Company merged with and into Neos, and all outstanding Neos common stock was exchanged for approximately 5,472,000 shares of the Company's common stock. Neos is now a 100% wholly-owned subsidiary of the Company. The Company pursued the acquisition of Neos in order to gain scale in the industry, expand its product portfolio and as an opportunity to potentially accelerate the pathway to breakeven. The Company incurred in relation to the Neos Merger (i) approximately $2.8 million of acquisition related costs, recognized as part of operating expense, and (ii) $0.1 million of issuance costs, recognized as a component of stockholders' equity.

The following table summarized the preliminary fair value of assets acquired and liabilities assumed at the date of acquisition. These estimates are preliminary, pending final evaluation of certain assets and liabilities, and therefore, are subject to revisions that may result in adjustments to the values presented below;

	As of March 19, 2021
Considerations:	
Fair Value of Aytu Common Stock	
Total shares issued at close	5,471,804
Estimated fair value per share of Aytu common stock	$ 9.73
Estimated fair value of equity consideration transferred	$ 53,240,653
Cash	15,383,104
Estimated fair value of replacement equity awards	432,289
Total consideration transferred	$ 69,056,046

	As of March 19, 2021
Total consideration transferred	$ 69,056,046
Recognized amounts of identified assets acquired and liabilities assumed	
Cash and cash equivalents	$ 15,721,797
Accounts receivable	24,695,527
Inventory	10,984,055
Prepaid expenses and other current assets	2,929,457
Operating leases right-to-use assets	3,515,141
Property, plant and equipment	5,518,801
Intangible assets	56,530,000
Other long-term assets	148,931
Accounts payable and accrued expenses	(56,718,159)
Short-term line of credit	(10,707,115)
Long-term debt, including current portion	(17,677,954)
Operating lease liabilities	(3,515,141)
Other long-term liabilities	(81,523)
Total identifiable net assets	$ 31,343,817
Goodwill	$ 37,712,229

The fair values of intangible assets were determined using variations of the cost approach, excess earnings method and the relief-from-royalties method. The fair value of Neos trade name, in-process R&D and developed product technology, which is the proprietary technology for the development of Adzenys, Cotempla and generic Tussionex, were determined using the relief from royalty method. The fair value of developed technology right, which is a proprietary modified-release drug delivery technology, was determined using multi-period excess earnings method. The fair value of RxConnect, which is a developed technology for Neos-sponsored patient support program that offers affordable and predictable copays to all commercially insured patients, was determined using cost to recreate method. The finite-lived intangible assets are being amortized over a range of between 1 to 18 years.

The fair value of the identifiable intangible assets acquired were as follows:

	As of March 19, 2021
Identified intangible assets acquired:	
Developed technology right	$ 30,200,000
Developed products technology	22,700,000
In-process R&D	2,600,000
RxConnect	630,000
Trade name	400,000
Total intangible assets acquired	$ 56,530,000

Unaudited Pro Forma Information

The following supplemental unaudited proforma financial information presents the Company's results as if the following acquisitions had occurred on July 1, 2019:

- Acquisition of the Pediatric Portfolio, effective November 1, 2019;
- Merger with Innovus, effective February 14, 2020.
- Merger with Neos, effective March 19, 2021.

The unaudited pro forma results have been prepared based on estimates and assumptions, which management believes are reasonable, however, the results are not necessarily indicative of the consolidated results of operations had the acquisition occurred on July 1, 2019, or of future results of operations:

	Three Months Ended		Nine Months Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Actual (Unaudited) (dd)	Pro forma (Unaudited) (aa) (bb)	Actual (Unaudited) (dd)	Pro forma (Unaudited) (cc)
Total revenues, net	$ 22,250,543	$ 24,824,477	$ 74,582,036	$ 83,141,373
Net (loss)	$ (32,674,710)	$ (13,800,554)	$ (55,711,884)	$ (31,686,745)
Net (loss) per share (ee)	$ (1.41)	$ (3.91)	$ (2.71)	$ (14.01)

(aa) For the three months ended March 31, 2020, the Pediatric Portfolio acquisition occurred prior to the three months ended March 31, 2020, and accordingly, the results of the Pediatric Portfolio are fully consolidated into the Company's results for the three months ended March 31, 2020.

(bb) Due to the absence of discrete financial information for Innovus covering the period from January 1, 2020 through February 13, 2020, the Company did not include the impact of that stub-period for the pro forma results for the three and nine months ended March 31, 2020.

(cc) Due to a lack of financial information covering the period from October 1, 2019 through November 1, 2019, the Company was not able to provide pro forma adjusted financial statements for the nine months ended March 31, 2020 without making estimated extrapolations that the Company did not believe would be material or useful to users of the above pro forma information.

(dd) Neos contributed approximately $0.9 million to net revenue and approximately $3.9 million to net loss for the period covering March 20, 2021 through March 31, 2021.

(ee) Pro forma net loss per share calculations excluded the impact of the issuance of the (i) Series G Convertible Preferred Stock and the, (ii) Series H Convertible Preferred Stock under the assumption those shares would continue to remain non-participatory during the periods reported above.

3. Revenue Recognition

Contract Balances. Contract assets primarily relate to the Company's right to consideration in exchange for products transferred to a customer in which that right to consideration is dependent upon the customer selling these products. As of March 31, 2021, contract assets of $42,000 was included in other current assets in the consolidated balance sheet. There was no contract asset as of June 30, 2020. Contract liabilities primarily relate to advances or deposits received from the Company's customers before revenue is recognized. As of March 31, 2021 and June 30, 2020, contract liabilities of $0.2 million and $0.3 million, respectively, were included in accrued liabilities in the consolidated balance sheet.

Revenues by Geographic location. The following table reflects the Company's product revenues by geographic location as determined by the billing address of customers:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
U.S.	$ 12,344,000	$ 7,273,000	$ 38,245,000	$ 11,582,000
International	1,138,000	883,000	3,905,000	1,189,000
Total net revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000

Revenues by Product Portfolio. Net revenue disaggregated by significant product portfolio for the three and nine months ended March 31, 2021 and March 31, 2020 were as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Primary care and devices portfolio	$ 1,209,000	$ 870,000	$ 8,339,000	$ 3,500,000
Pediatric portfolio	3,918,000	3,833,000	9,752,000	5,818,000
Consumer Health portfolio	8,355,000	3,453,000	24,059,000	3,453,000
Consolidated revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000

4. Inventories

Inventories consist of raw materials, work in process and finished goods and are recorded at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. Aytu periodically reviews the composition of its inventories to identify obsolete, slow-moving or otherwise unsaleable items. In the event that such items are identified and there are no alternate uses for the inventory, Aytu will record a write-down to net realizable value in the period that the impairment is first recognized. The Company wrote down $7.0 million and $7.2 million of inventory during the three and nine months ended March 31, 2021, respectively, primarily as a result of changing market conditions for the Company's COVID-19 test kits. There was no inventory written down for the three and nine-months ended March 31, 2020, respectively.

Inventory balances consist of the following:

	As of March 31, 2021	As of June 30, 2020
Raw materials	$ 2,583,000	$ 397,000
Work in process	3,181,000	–
Finished goods	10,812,000	9,603,000
Inventory	$ 16,576,000	$ 10,000,000

5. Fixed Assets

Fixed assets are recorded at cost and once placed in service, are depreciated on a straight-line basis over the estimated useful lives. Leasehold improvements are amortized over the shorter of the estimated economic life or related lease term. Fixed assets consist of the following:

	Estimated Useful Lives in years	As of March 31, 2021	As of June 30, 2020
Manufacturing equipment	2 - 7	$ 3,072,000	$ 112,000
Leasehold improvements	3	1,259,000	229,000
Office equipment, furniture and other	2 - 7	966,000	312,000
Lab equipment	3 - 7	646,000	90,000
Assets under construction		186,000	–
Less accumulated depreciation and amortization		(571,000)	(484,000)
Fixed assets, net		$ 5,558,000	$ 259,000

During the nine months ended March 31, 2021, the Company recognized a loss of $0.1 million on sale of equipment due to termination of leases. There was no such loss during the three months ended March 31, 2021.

Depreciation and amortization expense totaled $68,000 and $24,000 for the three-months ended March 31, 2021 and 2020, respectively, and $119,000 and $56,000 for the nine-months ended March 31, 2021 and 2020, respectively.

6. Leases, Right-to-Use Assets and Related Liabilities

The Company previously adopted the FASB issued ASU 2016-02, “Leases (Topic 842)” as of July 1, 2019. With the adoption of ASU 2016-02, the Company recorded an operating right-of-use asset ("ROU") and an operating lease liability on its balance sheet associated with the leases of the corporate headquarters. The finance leases are related to the Company's Neos subsidiary equipment leases. The operating lease ROU asset represents the Company’s right to use the underlying asset for the lease term, and the lease obligation represents the Company’s commitment to make the lease payments arising from the lease. The operating lease ROU assets and obligations were recognized at the later of the commencement date or July 1, 2019, the date of adoption of Topic 842, based on the present value of remaining lease payments over the lease term. As the Company’s lease does not provide an implicit rate, the Company used an estimated incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. Rent expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. The operating lease liabilities are classified as current or long-term operating lease liabilities on the balance sheet.

Upon the closing of the Neos Merger on March 19, 2021, pursuant to the guidance under ASC 805, Neos recognized operating lease ROU asset and lease liability of $3.5 million, which represented the present value of the remaining lease payments as of the acquisition date, for its office space and manufacturing facilities at Grand Prairie, Texas. As the lease agreement does not provide an implicit rate, Neos used its borrowing rate of 6.7% to determine the present value of future lease payments. Furthermore, as of the acquisition date, no assets or liabilities of the operating leases that have a remaining lease term of less than twelve months were recognized. The finance leases are related to Neos equipment finance leases with fixed contract terms and an implicit interest rate of approximately 5.9%. The finance lease assets are included in fixed assets and the lease liabilities are included in current and long-term debt on the balance sheet.

On August 28, 2020, the Company’s Innovus subsidiary signed a lease termination agreement with its lessor to terminate its lease effective September 30, 2020. The original lease termination date was April 30, 2023. As part of the agreement, Innovus agreed to make a cash payment to the landlord the equivalent of two additional months’ rent aggregating to $44,306 plus $125,000 less the security deposit of $20,881. The fair value of the lease liability related to this facility lease was approximately $0.7 million as of June 30, 2020. The Company recognized a gain of approximately $343,000 during the nine months ended March 31, 2021.

On October 1, 2020, the Company's Innovus subsidiary entered into a short-term lease for warehouse space in Carlsbad, CA. The lease term is for one-year with an option to terminate after six months with ninety days' notice. This lease is accounted for as a short-term lease and is not included as a component of the Company's right-to-use assets and related liability.

The components of lease expenses are as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,		
	2021	2020	2021	2020	Statement of Operations Classification
Lease cost:					
Operating lease cost	$ 69,000	$ 27,000	$ 128,000	$ 72,000	Operating expenses
Short-term lease cost	7,000	–	7,000	–	Operating expenses
Finance lease cost:					
Amortization of leased assets	19,000	–	19,000	–	Cost of sales
Interest on lease liabilities	1,000	–	1,000	–	Other (expense), net
Total net lease cost	$ 96,000	$ 27,000	$ 155,000	$ 72,000	

Supplemental balance sheet information related to leases is as follows:

	March 31, 2021	June 30, 2020	Balance Sheet Classification
Assets:			
Operating lease assets	$ 3,782,000	$ 634,000	Operating lease right-of-use asset
Finance lease assets	347,000	–	Fixed assets, net
Total leased assets	$ 4,129,000	$ 634,000	
Liabilities:			
Current:			
Operating leases	$ 911,000	$ 300,000	Current portion of operating lease liabilities
Finance leases	100,000	–	Current portion of debt
Long-term			
Operating leases	2,872,000	725,000	Long-term operating lease liabilities, net of current portion
Finance leases	207,000	-	Long-term debt, net of current portion
Total lease liabilities	$ 4,090,000	$ 1,025,000	

Remaining lease term and discount rate used are as follows:

	March 31, 2021	June 30, 2020
Weighted-Average Remaining Lease Term (years)		
Operating lease assets	3.67	3.33
Finance lease assets	2.96	–
Weighted-Average Discount Rate		
Operating lease assets	6.62%	8.09%
Finance lease assets	6.40%	–

Supplemental cash flow information related to lease is as follows:

	Nine Months Ended March 31,	
	2021	2020
Cash flow classification of lease payments:		
Operating cash flows from operating leases	$ 128,000	$ 72,000
Operating cash flows from finance leases	$ 1,000	$ -

As of March 31, 2021, the maturities of the Company's future minimum lease payments were as follows:

	Operating	Finance
2021 (remaining 3 months)	$ 281,000	$ 29,000
2022	1,154,000	117,000
2023	1,182,000	105,000
2024	1,117,000	88,000
2025	557,000	–
Total lease payments	4,291,000	339,000
Less: Imputed interest	(508,000)	(32,000)
Lease liabilities	$ 3,783,000	$ 307,000

7. Intangible Assets

The Company currently holds the following intangible asset portfolios as of March 31, 2021: (i) Licensed assets, which consist of pharmaceutical product assets that were acquired prior to July 1, 2020; (ii) Product technology rights, acquired from the November 1, 2019 acquisition of the Pediatric Portfolio from Cerecor, as a result of the Innovus Merger on February 14, 2020 and as a result of the Neos Merger on March 19, 2021, (iii) Proprietary modified-release drug delivery technology right as a result of the Neos Merger, (iv) Acquired product distribution rights and commercial technology consisting of RxConnect and trade names as a result of the Neos Merger, and patents, trade names and the acquired customer lists from the Innovus Merger, (v) Acquired in-process R&D related to NT0502 product candidate for sialorrhea from the Neos Merger.

On March 31, 2021, the Company and Acerus Pharmaceuticals Corporation ("Acerus") entered into a termination and transition agreement (the "Termination Agreement") to terminate the License and Supply Agreement previously entered into on July 29, 2019. Pursuant to the Termination Agreement, the Company ceased all sales, marketing and promotions of Natesto, and Acerus agreed to pay the Company an aggregate amount of $7.5 million, payable in equal monthly installment payments for a period of 30 consecutive months. The Company determined that none of the $7.5 million future cash payments can be recognized as of March 31, 2021, and therefore the remaining $4.3 million carrying value of the licensed intangible asset related to Natesto was impaired, and there is no remaining value as of March 31, 2021.

If acquired in an asset acquisition, the Company capitalized the acquisition cost of each licensed patent or tradename, which can include a combination of both upfront consideration, as well as the estimated future contingent consideration estimated at the acquisition date. If acquired in a business combination, the Company capitalizes the estimated fair value of the intangible asset or assets acquired, based primarily on a discounted cash flow model approach or relief-from-royalties model as further described in Note 2.

The following table provides the summary of the Company's intangible assets as of March 31, 2021 and June 30, 2020, respectively.

	March 31, 2021				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Weighted-Average Remaining Life (in years)
Licensed assets	$ 23,649,000	$ (8,768,000)	$ (4,286,000)	$ 10,595,000	15.15
Acquired product technology right	45,400,000	(3,259,000)	–	42,141,000	13.37
Acquired technology right	30,200,000	(57,000)	–	30,143,000	16.97
Acquired product distribution rights	11,354,000	(1,697,000)	–	9,657,000	7.03
Acquired in-process R&D	2,600,000	-	–	2,600,000	Indefinite-lived
Acquired commercial technology	630,000	(20,000)	–	610,000	1.97
Acquired trade name	400,000	(6,000)	–	394,000	0.97
Acquired customer lists	390,000	(293,000)	–	97,000	0.37
Total	$114,623,000	$ (14,100,000)	$ (4,286,000)	$ 96,237,000	13.56

	June 30, 2020				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Weighted-Average Remaining Life (in years)
Licensed assets	$ 23,649,000	$ (7,062,000)	$ –	$ 16,587,000	11.88
MiOXSYS Patent	380,000	(185,000)	(195,000)	–	–
Acquired product technology right	22,700,000	(1,513,000)	–	21,187,000	9.34
Acquired product distribution rights	11,354,000	(565,000)	–	10,789,000	7.78
Acquired customer lists	390,000	(98,000)	–	292,000	1.12

Total	$ 58,473,000	$ (9,423,000)	$ (195,000)	$ 48,855,000	9.11

The following table summarizes the estimated future amortization expense to be recognized over the next five years and periods thereafter:

	Amortization
2021 (remaining 3 months)	$ 2,234,500
2022	8,529,000
2023	7,981,000
2024	7,825,000
2025	7,591,000
Thereafter	59,476,500
Total future amortization expense	$ 93,637,000

Certain of the Company's amortizable intangible assets include renewal options, extending the expected life of the asset. The renewal periods range between approximately 1 to 20 years depending on the license, patent or other agreement. Renewals are accounted for when they are reasonably assured. Intangible assets are amortized using the straight-line method over the estimated useful lives. Amortization expense of intangible assets was $1.7 million and $1.4 million for the three months ended March 31, 2021 and 2020, respectively. Amortization expense of intangible assets was $4.9 million and $2.9 million for the nine months ended March 31, 2021 and 2020, respectively.

8. Accrued liabilities

Accrued liabilities consist of the following:

	As of March 31, 2021	As of June 30, 2020
Accrued settlement expense	$ 150,000	$ 315,000
Accrued program liabilities	7,836,000	959,000
Accrued product-related fees	2,379,000	2,471,000
Accrued savings offers	19,218,000	–
Accrued distributor fees	2,816,000	457,000
Credit card liabilities	657,000	510,000
Medicaid liabilities	1,948,000	1,842,000
Return reserve	5,592,000	1,329,000
Sales taxes payable	182,000	175,000
Other accrued liabilities*	2,404,000	588,000
Total accrued liabilities	$ 43,182,000	$ 8,646,000

* Other accrued liabilities consist of franchise tax, accounting and legal fees, interest payable, merchant services charges, none of which individually represent greater than five percent of total current liabilities.

9. Fair Value Considerations

The Company's asset and liability classified financial instruments include cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities, warrant derivative liability and contingent consideration. The carrying amounts of financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short maturities. The fair value of acquisition-related contingent consideration is based on Monte-Carlo models. The valuation policies are determined by management, and the Company's Board of Directors is informed of any policy change.

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on reliability of the inputs as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets that are accessible to Aytu for identical assets or liabilities;

Level 2: Inputs that include quoted prices for similar assets and liabilities in active or inactive markets or that are observable for the asset or liability either directly or indirectly; and

Level 3: Unobservable inputs that are supported by little or no market activity.

The Company's assets and liabilities which are measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. The Company's policy is to recognize transfers in and/or out of fair value hierarchy as of the date in which the event or change in circumstances caused the transfer. Aytu has consistently applied the valuation techniques discussed below in all periods presented.

Recurring Fair Value Measurements

The following table presents the Company's financial liabilities that were accounted for at fair value on a recurring basis as of March 31, 2021 and June 30, 2020, by level within the fair value hierarchy.

		Fair Value Measurements at March 31, 2021		
	Fair Value at March 31, 2021	**Quoted Priced in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Recurring:				
Contingent consideration	$ 14,904,000	$ –	$ –	$ 14,904,000
CVR liability	5,591,000	–	–	5,591,000
Total	$ 20,495,000	$ –	$ –	$ 20,495,000

		Fair Value Measurements at June 30, 2020		
	Fair Value at June 30, 2020	**Quoted Priced in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Recurring:				
Contingent consideration	$ 13,588,000	$ –	$ –	$ 13,588,000
CVR liability	5,572,000)	–	–	5,572,000)
Total	$ 19,160,000	$ –	$ –	$ 19,160,000

Contingent Consideration. The Company classifies its contingent consideration liability in connection with the acquisition of Tuzistra XR, ZolpiMist and Innovus, within Level 3 as factors used to develop the estimated fair value are unobservable inputs that are not supported by market activity. The Company estimates the fair value of contingent consideration liability based on projected

payment dates, discount rates, probabilities of payment and projected revenues. Projected contingent payment amounts are discounted back to the current period using a discounted cash flow methodology.

As of November 2, 2018, the contingent consideration related to Tuzistra XR, was valued at $8.8 million using a Monte Carlo simulation. As of March 31, 2021, the contingent consideration was revalued at $14.4 million using the same Monte Carlo simulation methodology, and based on current interest rates, expected sales potential and Aytu stock trading variables. As of March 31, 2021, none of the milestones had been achieved, and therefore, no milestone payment was made. However, approximately $3.0 million is expected to be paid in November 2021, as this milestone will be satisfied.

The contingent consideration related to the ZolpiMist royalty payments was valued at $2.6 million using a Monte Carlo simulation, as of June 11, 2018. As of March 31, 2021, the contingent consideration was revalued at $0.3 million using the same Monte Carlo simulation methodology, and based on current interest rates, expected sales potential and Aytu stock trading variables. The Company reevaluates the contingent consideration on a quarterly basis for changes in the fair value recognized after the acquisition date, such as measurement period adjustments. As of March 31, 2021, none of the milestones had been achieved, and therefore, no milestone payment was made.

The Company recognized approximately $0.2 million in product related contingent consideration as a result of the February 14, 2020 Innovus Merger. The fair value was based on a discounted value of the future contingent payment using a 30% discount rate based on the estimates risk that the milestones are achieved. The contingent consideration accretion expense for the three and nine months ended March 31, 2021 and 2020 was $15,000, and $44,000, respectively. There was no material change in this valuation as of March 31, 2021.

Contingent value rights. Contingent value rights ("CVRs") represent contingent additional consideration of up to $16.0 million payable to satisfy future performance milestones related to the Innovus Merger. Consideration can be satisfied in up to 470,000 shares of the Company's common stock, or cash either upon the option of the Company or in the event there are insufficient shares available to satisfy such obligations. The fair value of the contingent value rights was based on a Monte Carlo model which takes into account current interest rates and expected sales potential. On March 31, 2020, the Company paid the CVR holders approximately 120,000 shares of the Company's common stock to satisfy the first $2.0 million milestone, which relates to the Innovus achievement of $24.0 million in revenues during the 2019 calendar year. On March 20, 2021, the Company paid the CVR holders approximately 103,000 shares of the Company's common stock to satisfy one of two $1.0 million 2020 milestones, which relates to the Innovus achievement of $30.0 million in revenues during the 2020 calendar year. The $1.0 million 2020 milestone for achieving profitability was not met. The unrealized loss for the three months ended March 31, 2021 and March 31, 2020 was $0.1 million and $0.2 million, respectively. The unrealized loss for the nine months ended months ended March 31, 2021 and 2020 was $1.0 million and $0.2 million, respectively. The CVR's did not exist until after December 31, 2019.

Summary of Level 3 Input Changes

The following table sets forth a summary of changes to those fair value measures using Level 3 inputs for the nine months ended March 31, 2021:

	CVR Liability	Contingent Consideration
Balance as of June 30, 2020	$ 5,572,000	$ 13,588,000
Included in earnings	1,019,000	1,999,000
Settlements	(1,000,000)	(683,000)
Balance as of March 31, 2021	$ 5,591,000	$ 14,904,000

Significant Assumptions

Contingent consideration. The Company estimates the fair value of the Contingent Consideration at each reporting date using management's forecast as the baseline for developing a Monte-Carlo model. The other significant assumptions used in the Monte Carlo Simulation as of March 31, 2021, were as follows:

	As of March 31, 2021
Contingent Consideration	
Credit risk assumption	20.80%
Sales volatility	45.00%
Credit spread	3.00%
Time steps per year	1
Number of iterations	500

Contingent value rights. The Company estimates the fair value of the Contingent Value Rights at each reporting date using management's forecast as the baseline for developing a Monte-Carlo model. The other significant assumptions used in the Monte Carlo Simulation as of March 31, 2021 were as follows:

	As of March 31, 2021
Contingent Value Rights	
Credit risk assumption	9.6%
Time steps per year	30.00
Number of iterations	10,000

10. Commitments and Contingencies

Commitments and contingencies are described below and summarized by the following as of March 31, 2021:

	Total	2021	2022	2023	2024	2025	Thereafter
Prescription database	$ 1,145,000	$ 412,000	$ 733,000	$ –	$ –	$ –	$ –
Pediatric portfolio fixed payments and product minimums	15,000,000	825,000	3,300,000	3,300,000	3,300,000	3,300,000	975,000
Inventory purchase commitment	1,472,000	736,000	736,000	–	–	–	–
CVR liability	12,000,000	–	2,000,000	5,000,000	5,000,000	–	–
Product contingent liability	2,500,000	–	–	–	–	–	2,500,000
Product milestone payments	3,000,000	–	3,000,000	–	–	–	–
Total	$35,117,000	$1,973,000	$9,769,000	$8,300,000	$8,300,000	$3,300,000	$3,475,000

Prescription Database

In May 2016, the Company entered into an agreement with a vendor that will provide it with prescription database information. The Company agreed to pay approximately $1.6 million over three years for access to the database of prescriptions written for Natesto. In January 2020, the Company amended the agreement and agreed to pay additional $0.6 million to add access to the database of prescriptions written for the Pediatric Portfolio. The payments have been broken down into quarterly payments.

Pediatric Portfolio Fixed Payments and Product Milestone

The Company assumed two fixed, periodic payment obligations to an investor (the “Fixed Obligation”). Beginning November 1, 2019 through January 2021, the Company will pay monthly payments of $86,840, with a balloon payment of $15.0 million that was to be due in January 2021. A second fixed obligation requires the Company pay a minimum of $100,000 monthly through February 2026, except for $210,767 paid in January 2020.

On May 29, 2020, the Company entered into an Early Payment Agreement and Escrow Instruction (the “Early Payment Agreement”) pursuant to which the Company agreed to pay $15.0 million to the investor in early satisfaction of the Balloon Payment Obligation. The parties to the Early Payment Agreement acknowledged and agreed that the remaining fixed payments other than the Balloon Payment Obligation remain due and payable pursuant to the terms of the Agreement, and that nothing in the Early Payment Agreement alters, amends, or waives any provisions or obligations in the Waiver or the Investor agreement other than as expressly set forth therein.

In addition, the Company acquired a Supply and Distribution Agreement with Tris Pharma, Inc. ("TRIS"), (the “Karbinal Agreement”), under which the Company is granted the exclusive right to distribute and sell the product in the United States. The initial term of the Karbinal Agreement was 20 years. The Company will pay TRIS a royalty equal to 23.5% of net sales. A third party agreed to offset the 23.5% royalty payable by 8.5%, for a net royalty equal to 15%, in fiscal year 2018 and 2019 for net sales of Karbinal.

The Karbinal Agreement make-whole payment is capped at $2.1 million each year. The Karbinal Agreement also contains minimum unit sales commitments, which is based on a commercial year that spans from August 1 through July 31, of 70,000 units annually through 2025. The Company is required to pay TRIS a royalty make whole payment of $30 for each unit under the 70,000-unit annual minimum sales commitment through 2025. The annual payment is due in August of each year. The Karbinal Agreement also has multiple commercial milestone obligations that aggregate up to $3.0 million based on cumulative net sales, the first of which is triggered at $40.0 million of net revenues.

Inventory Purchase Commitment

On May 1, 2020, the Company's Innovus subsidiary entered into a Settlement Agreement and Release (the “Settlement Agreement”) with Hikma Pharmaceuticals USA, Inc. (“Hikma”). Pursuant to the settlement agreement, Innovus has agreed to purchase and Hikma has agreed to manufacture a minimum amount of the Company's branded fluticasone propionate nasal spray USP, 50 mcg per spray (FlutiCare®), under Hikma’s FDA approved ANDA No. 207957 in the U.S. The commitment requires Innovus to purchase three batches of product through fiscal year 2022 each of which amount to $1.0 million.

CVR Liability

On February 14, 2020, the Company closed on the Merger with Innovus Pharmaceuticals after approval by the stockholders of both companies on February 13, 2020. Upon closing the Merger, a subsidiary of the Company merged with and into Innovus and entered into a Contingent Value Rights Agreement (the "CVR Agreement"). Each CVR entitles its holder to receive its pro rata share, payable in cash or stock, at the option of Aytu, of certain payment amounts if the targets are met. If any of the payment amounts is earned, they are to be paid by the end of the first quarter of the calendar year following the year in which they are earned. Multiple revenue milestones can be earned in one year.

On March 31, 2020, the Company paid the CVR holders approximately 120,000 shares of the Company's common stock to satisfy the $2.0 million obligation as a result of Innovus achieving the $24.0 million revenue milestone for calendar year ended December 31, 2019. As a result of this, the Company recognized a gain of approximately $0.3 million during the fiscal year ended June 30, 2020. On March 20, 2021, the Company paid the CVR holders approximately 103,000 shares of the Company's common stock to satisfy one of two $1.0 million 2020 milestones, which relates to the Innovus achievement of $30.0 million in revenues during the 2020 calendar year. As a result of this, the Company recognized a gain of approximately $0.4 million during the three months ended March 31, 2021.The $1.0 million 2020 milestone for achieving profitability was not met.

Product Contingent Liability

In February 2015, Innovus acquired Novalere, which included the rights associated with distributing FlutiCare. As part of the merger, Innovus is obligated to make five additional payments of $0.5 million each when certain levels of FlutiCare sales are achieved. The discounted value as of March 31, 2021, is approximately $0.2 million.

Product Milestone Payments

In connection with the Company's intangible assets, Aytu has certain milestone payments, totaling $3.0 million, payable at a future date, which are not directly tied to future sales, but are payable upon other events certain to happen. These obligations are included in the valuation of the Company's contingent consideration (see Note 9).

11. Capital Structure

The Company has 200 million shares of common stock authorized with a par value of $0.0001 per share and 50 million shares of preferred stock authorized with a par value of $0.0001 per share. On March 31, 2021 and June 30, 2020, Aytu had 23,457,887 and 12,583,736 common shares outstanding, respectively, and zero preferred shares outstanding, respectively.

Included in the common stock outstanding are 274,635 shares of restricted stock issued to executives, directors, employees, and consultants.

In June 2020, the Company initiated an at-the-market offering program ("ATM"), which allows the Company to sell and issue shares of the Company's common stock from time-to-time. The company has issued 430,230 shares of common stock, with total gross proceeds of $6.8 million before deducting underwriting discounts, commissions and other offering expenses payable by the Company of $0.2 million through June 30, 2020. The Company did not issue any shares of common stock under the ATM during the three months ended March 31, 2021, and has issued 352,912 shares of common stock under the ATM, with total gross proceeds of approximately $3.6 million before deducting underwriting discounts, commissions, and other offering expenses payable by the Company of $1.6 million during the nine months ended March 31, 2021. Since initiated in June 2020 through March 31, 2021, the total number of shares of common stock issued under the ATM was 783,142, with total gross proceeds of $10.4 million before deducting underwriting discounts, commissions and other offering expenses payable by the Company of $1.8 million.

The Company entered into three separate registered direct stock offerings on March 10, 2020, March 12, 2020 and March 19, 2020 (the "March Offerings") in which the Company issued a combination of common stock and warrants. In July 2020, the Company paid $1.5 million issuance cost in cash related to the March Offerings and issued 92,302 warrants to purchase 92,302 shares of the Company's common stock with a weighted-average exercise price of $15.99 to an investment bank conjunction with the March 2020 offerings. The warrants have a term of one year from the issuance date. These warrants had at issuance a fair value of approximately $356,000 and were valued using a Black-Scholes model.

On December 10, 2020, the Company entered into an exchange agreement to exchange the $0.8 million of debt outstanding for 130,081 shares of the Company's common stock (see Note 15).

On December 10, 2020, the Company entered into an underwriting agreement with H.C. Wainwright & Co., LLC ("Wainwright") (as amended and restated, the "Underwriting Agreement"). Pursuant to the Underwriting Agreement, the Company agreed to sell, in an upsized firm commitment offering, 4,166,667 shares (the "Shares") of the Company's common stock, $0.0001 par value per share (the "Common Stock"), to Wainwright at an offering price to the public of $6.00 per share, less underwriting discounts and commissions. In addition, pursuant to the Underwriting Agreement, the Company granted Wainwright a 30-day option to purchase up to an additional 625,000 shares of Common Stock at the same offering price to the public, less underwriting discounts and commissions. Wainwright exercised their over-allotment option in full, purchasing total common stock of 4,791,667 shares. The Company raised gross proceeds of $28.8 million through this offering. Offering costs totaled $2.6 million resulting in net cash proceeds of $26.2 million. In connection with the offering, the Company issued 311,458 underwriter warrants to purchase up to 311,458 shares of common stock. The exercise price per share of the underwriter warrants is $7.50 (equal to 125% of the public offering price per share for the shares of common stock sold in the offering) and the underwriter warrants have a term of five years from the date of effectiveness of the offering. The underwriter warrants are exercisable immediately. These warrants have fair value of approximately $1.3 million and are classified with the stockholders' equity.

On March 19, 2021, upon closing of the Neos Merger, the Company issued 5,447,000 shares of its common stock to acquire all the outstanding shares of common stock of Neos. In addition, pursuant to the agreement in the Neos Merger, the Company issued 24,804 shares of common stock to settle the accelerated restricted stock units of former Neos directors and officers (see Note 2).

On March 20, 2021, the Company paid the CVR holders approximately 103,000 shares of the Company's common stock to satisfy one of two $1.0 million 2020 milestones, which relates to the Innovus achievement of $30.0 million in revenues during the 2020 calendar year.

12. Equity Incentive Plan

Aytu 2015 Plan

On June 1, 2015, the Company's stockholders approved the Aytu BioPharma 2015 Stock Option and Incentive Plan (the "Aytu 2015 Plan"), which, as amended in July 2017, provides for the award of stock options, stock appreciation rights, restricted stock and other equity awards for up to an aggregate of 3.0 million shares of common stock. The shares of common stock underlying any awards that are forfeited, canceled, reacquired by Aytu prior to vesting, satisfied without any issuance of stock, expire or are otherwise terminated (other than by exercise) under the 2015 Plan will be added back to the shares of common stock available for issuance under the Aytu 2015 Plan. On February 13, 2020, the Company's stockholders approved an increase to 5.0 million total shares of common stock in the Aytu 2015 Plan. As of March 31, 2021, the Company had 4,603,990 shares that are available for grant under the Aytu 2015 Plan.

Neos 2015 Plan

Pursuant to the Neos Merger, the Company assumed 69,721 stock options and 35,728 restricted stock units (RSUs) previously granted under Neos plan. Accordingly, on April 19, 2021, the Company registered 105,449 shares of its common stock under the Neos Therapeutics, Inc. 2015 Stock Options and Incentive Plan (the "Neos 2015 Plan") with the SEC. The terms and conditions of the assumed equity securities will stay the same as they were under the previous Neos plan. The Company allocated costs of the replacement awards attributable to pre- and post-combination service periods. The pre-combination service costs were included in the considerations transferred. The remaining costs attributable to the post-combination service period are being recognized as stock-based compensation expense over the remaining terms of the replacement awards. As of March 31, 2021, the Company had no shares that are available for grant under the Neos 2015 Plan.

Stock Options

Employee Stock Options:

The fair value of the options is calculated using the Black-Scholes option pricing model. In order to calculate the fair value of the options, certain assumptions are made regarding components of the model, including the estimated fair value of the underlying common stock, risk-free interest rate, volatility, expected dividend yield and expected option life. Changes to the assumptions could cause significant adjustments to valuation. Aytu estimates the expected term based on the average of the vesting term and the contractual term of the options. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for treasury securities of similar maturity. The assumptions used to estimate the fair value of the options granted under the Neos 2015 Plan were as follows:

	As of March 31, 2021
Expected volatility	100.0%
Expected term (years)	4.00
Risk-free interest rate	0.73%
Dividend yield	–

Stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding June 30, 2020	76,614	$ 19.39	9.67	$ –
Granted	69,721	–		
Forfeited/Cancelled	(7,553)	–		
Expired	(2,528)	–		
Outstanding at March 31, 2021	136,254	$ 13.14	6.12	$ –
Exercisable at March 31, 2021	20,569	$ 87.86	8.56	$ –

As of March 31, 2021, there was $0.5 million unrecognized option-based compensation expense related to non-vested stock options. The Company expects to recognize this expense over a weighted-average period of 3.3 years.

Restricted Stock

Restricted stock activity is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life in Years
Unvested at June 30, 2020	418,454	$ 14.69	6.4
Vested	(143,977)		
Unvested at March 31, 2021	274,477	$ 16.27	6.2

Under the Aytu 2015 Plan, there was $4.0 million of total unrecognized stock-based compensation expense related to the non-vested restricted stock as of March 31, 2021. The Company expects to recognize this expense over a weighted-average period of 6.2 years. The Company previously issued 158 shares of restricted stock outside the Aytu 2015 Plan, which vest in July 2026. The unrecognized expense related to these shares was $1.1 million as of March 31, 2021 and is expected to be recognized over the weighted average period of 5.3 years.

Restricted Stock Unit

On March 31, 2021, the Company granted 55,000 restricted stock units ("RSUs") to a member of its management. One-third of the RSUs that vest on April 1, 2022, and 1/12 vest on the first day of each quarter thereafter such that all the RSUs will be fully-vested on the third anniversary of the grant. The grant date fair value of $7.60 per share.

Restricted stock unit activity is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life in Years
Unvested at June 30, 2020			
Granted	90,728	$ 8.35	2.21
Vested	(2,822)		
Forfeited	(544)		
Unvested at March 31, 2021	87,362	$ 8.31	2.26

Under the Neos 2015 Plan, there was $0.6 million of total unrecognized stock-based compensation expense related to the non-vested restricted stock units as of March 31, 2021. The Company expects to recognize this expense over a weighted-average period of 2.2 years.

Stock-based compensation expense related to the fair value of stock options and restricted stock was included in the statements of operations as set forth in the table below:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Cost of sales	$ 9,000	$ –	$ 9,000	$ –
Research and development	3,000	–	3,000	–
Sales, general and administrative	1,514,000	264,000	2,473,000	591,000
Total stock-based compensation expense	$ 1,526,000	$ 264,000	$ 2,485,000	$ 591,000

As of March 31, 2021, the Company recorded a liability of $0.1 million in accrued expense for the share-based payment to certain departing officers.

The stock-based compensation expense included in the table above is attributable to stock options and restricted stock of $0.1 million and $1.3 million, respectively, for the three months ended March 31, 2021 and $0.3 million and $2.1 million, respectively, for the nine months ended March 31, 2021. The stock-based compensation expense included in the table above is attributable to stock options and restricted stock of $7,000 and $0.3 million, respectively, for the three months ended March 31, 2020 and $14,000 and $0.6 million, respectively, for the nine months ended March 31, 2020.

13. Warrants

In July 2020, the Company issued 92,302 shares of warrants with a weighted average exercise price of $15.99 in connection with the March Offerings. The warrants have a term of one year from the issuance date. These warrants have a fair value of $356,000 and are classified within stockholders' equity.

On December 15, 2020, the Company issued 311,458 shares of warrants with an exercise price of $7.50 in connection with the December 15, 2020 offering. These warrants have a fair value of approximately $1.3 million and are classified within stockholders' equity.

A summary of equity-based warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Outstanding June 30, 2020	2,288,528	$ 30.26	2.00
Warrants issued	403,760		
Warrants expired	(1,434,763)		
Outstanding March 31, 2021	1,257,525	$ 41.42	3.05

14. Net Loss per Common Share

Basic income (loss) per common share is calculated by dividing the net income (loss) available to the common shareholders by the weighted average number of common shares outstanding during that period. Diluted net loss per share reflects the potential of securities that could share in the net loss of the Company. For each three-month period presented, the basic and diluted loss per share were the same for 2020 and 2019, as they were not included in the calculation of the diluted net loss per share because they would have been anti-dilutive.

The following table sets-forth securities that could be potentially dilutive, but as of March 31, 2021 and 2020 are anti-dilutive, and therefore excluded from the calculation of diluted earnings per share.

		As of March 31,	
		2021	2020
Warrants to purchase common stock - liability classified		24,105	24,105
Warrant to purchase common stock - equity classified	(Note 13)	1,257,525	3,098,604
Employee stock options	(Note 12)	136,254	33,844
Employee unvested restricted stock	(Note 12)	274,635	334,423
Employee unvested restricted stock units	(Note 12)	87,362	–
Convertible preferred stock	(Note 11)	–	980,584
Total		1,779,881	4,471,560

15. Debt

The Aytu BioPharma Note. On February 27, 2020, the Company issued a $0.8 million promissory note (the "Note") and received consideration of approximately $0.6 million. The Note had an eight-month term with principal and interest payable on November 1, 2020, and the recognition of approximately $0.2 million of debt discount related to the issuance of promissory notes. The discount was amortized over the life of the promissory notes through the fourth quarter of calendar 2020. During the three and nine-months ended months ended March 31, 2021 and 2020 the Company recorded approximately $15,000 and $70,000, respectively, of related amortization. On December 10, 2020, the Company agreed to exchange the Note for 130,081 shares of the Company's common stock in lieu of $0.8 million in cash that would otherwise have been due to satisfy this obligation on March 31, 2021. As a result of this exchange, the Company recognized a non-cash loss of approximately $0.3 million during the nine months ended March 31, 2021.

The Innovus Notes. On January 9, 2020, prior to the completion of the merger, Innovus Pharmaceuticals, Inc., entered into a note agreement upon which it received gross proceeds of $0.4 million with a principal amount of $0.5 million. The note requires twelve equal monthly payments of approximately $45,000. As of March 31, 2021, the balance of the note has been paid.

The Neos Revolving Loans. On October 2, 2019, Neos entered into a senior secured credit agreement with Encina Business Credit, LLC ("Encina") as agent for the lenders (the "Loan Agreement"). Under the Loan Agreement, Encina will extend up to $25.0 million in secured revolving loans to Neos (the "Revolving Loans"), of which up to $2.5 million may be available for short-term swingline loans, against 85% of eligible accounts receivable. The Revolving Loans bear variable interest through maturity at the one-month London Interbank Offered Rate ("LIBOR"), plus an applicable margin of 4.50%. In addition, Neos is required to pay an unused line fee of 0.50% of the average unused portion of the maximum revolving facility amount during the immediately preceding month. Interest is payable monthly in arrears, upon a prepayment of a loan and on the maturity date. The maturity date under the Loan Agreement is May 11, 2022.

In the event that, for any reason, all or any portion of the lender's commitment to make revolving loans is terminated prior to the scheduled maturity date, in addition to the payment of the principal amount and all unpaid accrued interest and other amounts due thereon, Neos is required to pay to the lender a prepayment fee equal to (i) 1.0% of the revolving loan commitment if such event occurs on or before October 2, 2021, and (ii) 0.5% of the revolving loan commitment if such event occurs after October 2, 2021 but before May 11, 2022. Neos may permanently terminate the revolving loan facility by prepaying all outstanding principal amounts and all unpaid accrued interest and other amounts due thereon, subject to at least five business days prior notice to the lender and the payment of a prepayment fee as described above.

The Agreement contains customary affirmative covenants, negative covenants and events of default, as defined in the Loan Agreement, including covenants and restrictions that, among other things, require Neos to satisfy certain capital expenditure and other financial covenants, and restrict Neos' ability to incur liens, incur additional indebtedness, engage in mergers and acquisitions or make asset sales without the prior written consent of the Lenders. A failure to comply with these covenants could permit the Lenders to declare Neos' obligations under the Loan Agreement, together with accrued interest and fees, to be immediately due and payable, plus any applicable additional amounts relating to a prepayment or termination, as described above. Neos evaluated to determine if the embedded components in the agreement qualified as derivatives requiring separate recognition.

In connection with the closing of the Neos Merger, Neos and Encina entered into a Consent, Waiver and First Amendment to the Loan Agreement, dated as of March 19, 2021 (the "Encina Consent, Waiver and Amendment"). Pursuant to the Consent, Waiver and First Amendment, Encina (i) irrevocably waives the right to impose the default rate of interest solely to the extent resulting from the inclusion of a "going concern" qualification in the audited financial statements of Neos on a consolidated basis for the fiscal year ending December 31, 2020 (the "Specified Default), (ii) the right to impose the Default Rate of interest under Section 3.1 of the Loan Agreement, or to collect interest accruing at such Default Rate that Lenders had a lawful right to collect or apply with respect to any such Specified Default, and (iii) makes certain other modifications to the Encina Loan Agreement to reflect the consummation of the Neos Merger and the status of Neos as a wholly-owned subsidiary of Aytu, in each case subject to the terms and conditions of the Encina Consent, Waiver and Amendment.

Total interest expense was $28,000 for the period beginning March 20, 2021 and ended March 31, 2021. As of March 31, 2021, $4.7 million borrowing was outstanding under the Revolving Loan and Neos was in compliance with the covenants under the Loan Agreement as amended.

The Neos Senior Secured Credit Facility. On May 11, 2016, Neos entered into a $60.0 million senior secured credit facility (the "Facility") with Deerfield Private Design Fund III, L.P. (66 2/3% of Facility) and Deerfield Partners, L.P. (33 1/3% of Facility) (collectively, "Deerfield"). As of March 19, 2021, remaining principal on the Facility was $15.6 million, with $0.6 million due on April 11, 2021 and with a final payment of principal, interest and all other obligations under the Facility due May 11, 2022. Interest is due quarterly beginning in June 2021, at a rate of 12.95% per year. Borrowings under the Facility are collateralized by substantially all of Neos' assets, except assets under finance lease. The terms of the Facility require Neos to maintain cash on deposit of not less than $5.0 million.

Long-term debt consists of the following;

	March 31,2021
Senior secured credit facility, due on May 11, 2022	$ 15,625,000
Exit fee	1,000,000
Unamortized premium	724,000
Financing leases, maturing through May 2024	307,000
Total debt	17,656,000
Less: current portion	(725,000)
Long-term debt	$ 16,931,000

In connection with the Neos Merger, Neos and Deerfield entered into a Consent, Waiver and Sixth Amendment to the Facility, dated as of March 19, 2021 (the "Deerfield Consent, Waiver and Amendment"). Pursuant to the Consent, Waiver and Sixth Amendment, Deerfield (i) consented to certain amendments to the Encina loan documents, (ii) irrevocably waive the Going Concern Conditions as described in the Deerfield Consent, Waiver and Amendment and their right to impose the default rate of interest as provided for in the Facility as of May 11, 2016, or to collect interest accruing at such default rate of interest, that the Lenders had a lawful right to collect or apply with respect to any such Event of Default for failure to satisfy such Going Concern Condition, (iii) subject the Company and its subsidiaries to certain restrictive covenants including limitations on the incurrence of debt, granting of liens and transfers of assets of the Company and its subsidiaries and (iv) makes certain other modifications to the Facility to reflect the consummation of the Neos Merger and the status of Neos as a wholly-owned subsidiary of the Company. Such modifications also include the prepayment of $15.0 million by the Company of the principal of the loan that was otherwise due on May 11, 2021 plus any accrued interest thereon through March 19, 2021, plus a make-whole payment equal to the interest that would otherwise have been due on that $15.0 million for the period beginning March 19, 2021 through May 11, 2021. The Sixth Amendment also eliminated the right of Deerfield to convert outstanding amounts of the loans into conversion shares and the right of Neos to make payments to Deerfield in the form of shares of common stock. The Company is a guarantor under the Facility.

Pursuant to the terms of the Facility, as amended, the $15.0 million principal prepayment was paid in cash on March 19, 2021, and the carrying amount of the remaining outstanding debt was $16.6 million. As the Neos Merger was accounted for as a business combination under Topic 805, Neos evaluated and determined that the fair value of the remaining outstanding debt was $17.4 million as of March 20, 2021. Accordingly, Neos recorded a premium of $0.8 million, which is the difference between carrying amount and the fair value of the debt and is being amortized into interest expense using the effective interest method over the remaining term of the debt. As of March 31, 2021, the Company was in compliance with the covenants under the Facility as amended. Total interest expense on the Facility, net of premium amortization, was $46,000 for the period beginning March 20, 2021 and ended March 31, 2021.

Future principal payments of long-term debt, including financing leases, are as follows:

	March 31,2021
2021	$ 650,000
2022	16,102,000
2023	96,000
2024	84,000
Future principal payments	16,932,000
Add unamortized premium	724,000
Less current portion	(725,000)
Long-term debt	$ 16,931,000

16. Segment reporting

The Company's chief operating decision maker (the "CODM"), who is the Company's Chief Executive Officer, allocates resources and assesses performance based on financial information of the Company. The CODM reviews financial information presented for each reportable segment for purposes of making operating decisions and assessing financial performance.

The Company manages and aggregates its operational and financial information in accordance with two reportable segments: Aytu BioPharma and Aytu Consumer Health. The Aytu BioPharma segment consists of the Company's prescription products. The Aytu Consumer Health segment contains the Company's consumer healthcare products. The inclusion of the prescription product due to the Neos Merger is preliminary and subject to further evaluation as the Company begins to integrate Neos into the Company's operations.

Select financial information for these segments is as follows:

	Three months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Consolidated revenue:				
Aytu BioPharma	$ 5,127,000	$ 4,703,000	$ 18,091,000	$ 9,318,000
Aytu Consumer Health	8,355,000	3,453,000	24,059,000	3,453,000
Consolidated revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000
Consolidated net loss:				
Aytu BioPharma	$ (23,570,000)	$ (4,421,000)	$ (34,788,000)	$ (9,565,000)
Aytu Consumer Health	(1,890,000)	(911,000)	(4,503,000)	(911,000)
Consolidated net loss	$ (25,460,000)	$ (5,332,000)	$ (39,291,000)	$ (10,476,000)

	As of March 31, 2021	As of June 30, 2020
Total assets:		
Aytu BioPharma	$ 241,593,000	$ 126,267,000
Aytu Consumer Health	29,964,000	27,026,000
Total assets	$ 271,557,000	$ 153,293,000

17. License agreements

In October 2018, Neos entered into an Exclusive License Agreement ("NeuRx License") with NeuRx Pharmaceuticals LLC ("NeuRx"), pursuant to which NeuRx granted Neos an exclusive, worldwide, royalty-bearing license to research, develop, manufacture, and commercialize certain pharmaceutical products containing NeuRx's proprietary compound designated as NRX-101, referred to by Neos as NT0502. NT0502 is a new chemical entity that is being developed by Neos for the treatment of sialorrhea, which is excessive salivation or drooling. Under the NeuRx License, Neos made an upfront payment of $0.2 million to NeuRx upon the execution of the agreement. Neos made a payment of $0.2 million following receipt of notice of allowance of the first Licensed Patent by the United States Patent and Trademark Office ("USPTO"), as defined in the NeuRx License. Such Licensed Patent subsequently was issued by the USPTO. In April 2020, Neos met the completion of the first Pilot PK Study milestone, as defined in the NeuRx License, triggering the cash payment of $0.3 million. Neos may in the future be required to make certain development and milestone payments and royalties based on annual net sales, as defined in the NeuRx License. Royalties are to be paid on a country-by-country and licensed product-by-licensed product basis, during the period of time beginning on the first commercial sale of such licensed product in such country and continuing until the later of: (i) the expiration of the last-to-expire valid claim in any licensed patent in such country that covers such licensed product in such country; and/or (ii) expiration of regulatory exclusivity of such licensed product in such country.

Under the Teva Licensing Agreement, Neos granted Teva a non-exclusive license to certain patents owned by Neos by which Teva has the right to manufacture and market its generic version of Cotempla XR-ODT under its ANDA beginning on July 1, 2026, or earlier under certain circumstances. The Teva Licensing Agreement has been submitted to the applicable governmental agencies.

Under the Actavis Licensing Agreement, Neos granted Actavis a non-exclusive license to certain patents owned by Neos by which Actavis has the right to manufacture and market its generic version of Adzenys XR-ODT under its ANDA beginning on September 1, 2025, or earlier under certain circumstances. The Actavis Licensing Agreement has been submitted to the applicable governmental agencies.

In July 2014, Neos entered into a Settlement Agreement and an associated License Agreement (the "2014 License Agreement") with Shire LLC ("Shire") for a non-exclusive license to certain patents for certain activities with respect to Neos' New Drug Application (the "NDA") No. 204326 for an extended-release orally disintegrating amphetamine polistirex tablet. In accordance with the terms of the 2014 License Agreement, following the receipt of the approval from the FDA for Adzenys XR-ODT, Neos paid a lump sum, non-refundable license fee of an amount less than $1.0 million in February 2016. Neos is paying a single digit royalty on net sales of Adzenys XR-ODT during the life of the patents.

In March 2017, Neos entered into a License Agreement (the "2017 License Agreement") with Shire, pursuant to which Shire granted Neos a non-exclusive license to certain patents owned by Shire for certain activities with respect to Neos' NDA No. 204325 for an extended-release amphetamine oral suspension. In accordance with the terms of the 2017 License Agreement, following the receipt of the approval from the FDA for Adzenys ER, Neos paid a lump sum, non-refundable license fee of an amount less than $1.0 million in October 2017. Neos is paying a single digit royalty on net sales of Adzenys ER during the life of the patents.

The royalties are recorded as cost of goods sold in the same period as the net sales upon which they are calculated.

Additionally, each of the 2014 and 2017 License Agreements contains a covenant from Shire not to file a patent infringement suit against Neos alleging that Adzenys XR-ODT or Adzenys ER, respectively, infringes the Shire patents.

18. Related party Transactions

Tris Pharma, Inc.

On November 2, 2018, the Company entered into a License, Development, Manufacturing and Supply Agreement (the "Tris License Agreement"). On November 1, 2019, the Company acquired the rights to Karbinal as a result of the acquisition of the Pediatric Portfolio from Cerecor, Inc. (See Notes 2 and 10). Mr. Ketan Mehta served as a Director on the Board of Directors of the Company and is also the Chief Executive Officer of Tris Pharma, Inc. ("TRIS"). The Company paid TRIS approximately $0.9 million and $0 million during the three months ended March 31, 2021 and 2020, respectively for a combination of royalty payments, inventory purchases and other payments as contractually required. The Company's liabilities, including accrued royalties, contingent consideration and fixed payment obligations were $22.8 million and $25.0 million as of March 31, 2021 and 2020, respectively. In October 2020, the Company paid Tris approximately $1.6 million related to its Karbinal fixed payment obligation. On March 19, 2021, Mr. Ketan Mehta resigned as a Director on the Board of the Company, and TRIS will no longer be considered a related party in the future.

19. Subsequent Events

On April 12, 2021, the Company, Rumpus VEDS, LLC, Rumpus Therapeutics, LLC, Rumpus Vascular, LLC (together with Rumpus VEDS, LLC and Rumpus Therapeutics, LLC, the "Sellers"), Christopher Brooke and Nathaniel Massari entered into and closed on an asset purchase agreement (the "Purchase Agreement"), pursuant to which the Company acquired certain rights and other assets, including key commercial licenses, relating to Enzastaurin and to Sellers' business of developing pharmaceutical products from the Sellers for $1.5 million in cash and, upon the achievement of certain regulatory and commercial milestones, up to $67.5 million in earn-out payments (the "Earn-Out Payments"). The Earn-Out Payments are payable in cash or shares of common stock of the Company, generally at the Company's option. The shares of common stock will be issued under the Company's Acquisition Shelf on Form S-4 (SEC File No. 333-239011).

On May 17, 2021, Ms. Beth Hecht and Mr. Jerry McLaughlin, announced their resignation from the board of directors effective immediately. Ms. Hecht and Mr. McLaughlin will not run for election as members of the Company's board of directors at the next annual stockholder meeting of the Company, which is currently scheduled to take place on May 21, 2021 and the Company will disseminate additional proxy soliciting materials to its stockholders to announce this resignation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This discussion should be read in conjunction with Aytu BioPharma, Inc.'s Annual Report on Form 10-K for the year ended June 30, 2020, filed on October 6, 2020. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. For additional information regarding these risks and uncertainties, please see the risk factors included in Aytu's Form 10-K filed with the Securities and Exchange Commission on October 6, 2020.

Overview

We are a commercial-stage specialty pharmaceutical company focused on commercializing novel therapeutics and consumer healthcare products. We currently operate our Aytu BioPharma business, consisting of our prescription pharmaceutical products (the "Rx Portfolio"), and our Aytu consumer healthcare products business (the "Consumer Health Portfolio"). Our Aytu BioPharma business is focused on commercializing prescription pharmaceutical products for the treatment of attention deficit hyperactivity disorder ("ADHD"), allergies, insomnia, and various pediatric conditions. Our Aytu Consumer Health business is focused on commercializing consumer healthcare products. We were incorporated as Rosewind Corporation on August 9, 2002 in the State of Colorado. We were re-incorporated in the state of Delaware on June 8, 2015.

The Rx Portfolio consists of (i) Adzenys XR-ODT (amphetamine) extended-release orally disintegrating tablets, Cotempla XR-ODT (methylphenidate) extended-release orally disintegrating tablets and Adzenys-ER (amphetamine) extended-release oral suspension for the treatment of attention deficit hyperactivity disorder (ii) Poly-Vi-Flor and Tri-Vi-Flor, two complementary prescription fluoride-based supplement product lines containing combinations of fluoride and vitamins in various formulations for infants and children with fluoride deficiency, (iii) Karbinal ER, an extended-release carbinoxamine (antihistamine) suspension indicated to treat numerous allergic conditions, (iv) ZolpiMist, the only FDA-approved oral spray prescription sleep aid, (v) Tuzistra XR, the only FDA-approved 12-hour codeine-based antitussive syrup, and (vi) a generic Tussionex (hydrocodone and chlorpheniramine) ("generic Tussionex"), extended-release oral suspension for the treatment of cough and upper respiratory symptoms of a cold.

The Consumer Health Portfolio consists of over twenty consumer health products competing in large healthcare categories including diabetes, men's health, sexual wellness and respiratory health commercialized through direct-to-consumer marketing channels utilizing our proprietary Beyond Human marketing and sales platform and e-commerce platforms.

On March 31, 2021, we and Acerus Pharmaceuticals Corporation ("Acerus") entered into a termination and transition agreement (the "Termination Agreement") to terminate the License and Supply Agreement previously entered into on July 29, 2019. Pursuant to the Termination Agreement, we ceased all sales, marketing and promotions of Natesto, and Acerus agreed to pay us an aggregate amount of $7.5 million, payable in equal monthly installment payments for a period of 30 consecutive months. The original License and Supply Agreement was effective July 1, 2016 and was amended on July 29, 2019. Following the effectiveness of the original License and Supply Agreement, we built a 30-person sales force to relaunch Natesto following the termination of a license agreement between Acerus and Endo Pharmaceuticals that resulted in the rights to Natesto in North America reverting back to Acerus.

On March 19, 2021, we acquired Neos Therapeutics, Inc. ("Neos"), a commercial-stage pharmaceutical company developing and manufacturing central nervous system-focused products (the "Neos Merger"). Neos commercializes Adzenys XR-ODT, Cotempla XR-ODT and Adzenys-ER in the United States using Neos' internal commercial organization. These commercial products are extended-release ("XR") medications in patient-friendly, orally disintegrating tablet ("ODT") or oral suspension dosage forms that utilize our microparticle modified-release drug delivery technology platform. Neos received approval from the U.S. Food and Drug Administration ("FDA") for these three products. In addition, Neos manufactures and sells generic Tussionex.

In April of 2020, we entered into a licensing agreement with Cedars-Sinai Medical Center to secure worldwide rights to various potential esophageal and nasopharyngeal uses of Healight, an investigational medical device platform technology. Healight has demonstrated safety and efficacy in a proof-of-concept clinical study in SARS-CoV-2 patients, and we plan to advance this technology to further assess its safety and efficacy in additional randomized, controlled human studies, initially focused on SARS-CoV-2 patients.

Our strategy is to continue building our portfolio of revenue-generating products, leveraging our focused commercial team and expertise to build leading brands within large therapeutic markets.

Strategic Growth Initiatives

Pursuant to our strategy of identifying and acquiring complementary assets and companies, we expect to substantially increase our revenue generating capacity and provide opportunities to reduce our combined operating losses through a combination of our recent acquisitions and revenue growth.

Strategic Rx Acquisitions. On March 19, 2021, we closed on the merger with Neos after approval by the stockholders of Neos on March 18, 2021 and the approval of the consideration to be delivered by us in connection with the merger by the shareholders of Aytu, also on March 18, 2021. We expect the Neos Merger to accelerate our path to profitability, with estimated annualized cost synergies of up to approximately $15.0 million beginning FY 2022. Neos' established, multi-brand ADHD portfolio will enhance our footprint in pediatrics and expand our presence in adjacent specialty care segments. We also have an opportunity to leverage and further enhance Neos RxConnect, a best-in-class patient support program, for our heritage product portfolio of best-in-class prescription therapeutics, and potentially, our consumer health products.

On November 1 2019, we acquired the Cerecor, Inc.'s ("Cerecor") portfolio of prescription pediatric therapeutics (the "Pediatric Portfolio"). At closing, the Pediatric Portfolio consisted of four pharmaceutical and other prescription products consisting of (i) Cefaclor for Oral Suspension, (ii) Karbinal ER, (iii) Poly- Vi-Flor, and (iv) Tri-Vi-Flor. Total consideration transferred consisted of $4.5 million cash and approximately 9.8 million shares of Series G Convertible Preferred Stock, plus the assumption of not more than $3.5 million of Medicaid rebates and products returns. In addition, we hired the majority of the Cerecor's commercial workforce.

We have assumed obligations due to an investor including fixed and variable payments. We assumed fixed monthly payments equal to $0.1 million from November 2019 through January 2021 plus $15.0 million due in January 2021. Monthly variable payments due to the same investor are equal to 15% of net revenue generated from a subset of the Product Portfolio, subject to an aggregate monthly minimum of $0.1 million, except for January 2020, when a one-time payment of $0.2 million was due and paid. The variable payment obligation continues until the earlier of: (i) aggregate variable payments of approximately $9.5 million have been made, or (ii) February 12, 2026. We subsequently paid down the $15.0 million balloon payment early in June 2020.

Further, certain of the products in the Pediatric Portfolio require royalty payments ranging from 15.0% to 38.0% of net revenue. One of the products in the Pediatric Portfolio requires us to generate minimum annual sales sufficient to represent annual royalties of approximately $2.1 million.

Consumer Health Acquisitions. On February 14, 2020, we closed on the merger with Innovus Pharmaceuticals after approval by the stockholders of both companies on February 13, 2020**.** The acquisition of Innovus has enabled us to expand into the consumer healthcare market with Innovus' over-the-counter medicines and other consumer health products. We expect Innovus to continue to develop additional consumer healthcare products and expand its product portfolio. This, we expect, will drive additional revenue for our consumer health subsidiary and contribute meaningfully to the company's overall revenue growth.

In the near-term, we expect to create value for shareholders by implementing a focused strategy of increasing sales of our prescription therapeutics while leveraging our commercial infrastructure. Further, we expect to increase sales of our consumer healthcare product portfolio. Further, we expect to expand both our Rx and consumer health product portfolios through continuous business and product development. Additionally we recently acquired a late-stage asset for development of a rare connective tissue disorder. Finally, we expect to identify operational efficiencies and remove redundancies identified through our recent transactions and implement expense reductions accordingly.

ACCOUNTING POLICIES

Significant Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to recoverability and useful lives of long-lived assets, stock compensation, valuation of derivative instruments, allowances, contingent consideration, contingent value rights ("CVR"), fixed payment arrangements and going concern. Management bases its estimates and judgments on historical experience and on various other factors, including the ongoing COVID-19 pandemic, that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The methods, estimates, and judgments used by us in applying these critical accounting policies have a significant impact on the results we report in our consolidated financial statements. Our significant accounting policies and estimates are included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2020, filed with the SEC on October 6, 2020.

Information regarding our accounting policies and estimates can be found in the Notes to the consolidated Financial Statements.

Newly Issued Accounting Pronouncements

Information regarding the recently issued accounting standards (adopted and pending adoption as of March 31, 2021are presented in Note 1 to the condensed consolidated financial statements.

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RESULTS OF OPERATIONS

Results of Operations – Three and Nine Months Ended March 31, 2021 compared to the Three and Nine Months Ended March 31, 2020

	Three months Ended March 31,			
	2021	2020	Change	%
Revenues				
Product and service revenue, net	$ 13,482,282	$ 8,156,173	$ 5,326,109	65%
Operating expenses				
Cost of sales	13,682,297	1,998,659	11,683,638	585%
Research and development	389,262	78,502	310,760	396%
Selling, general and administrative	12,851,087	9,190,386	3,660,701	40%
Acquisition related costs	1,536,800	311,083	1,225,717	394%
Restructuring costs	4,818,064	–	4,818,064	–
Amortization and impairment of intangible assets	5,870,436	1,370,986	4,499,450	328%
Total operating expenses	39,147,946	12,949,616	26,198,330	202%
Loss from operations	(25,665,664)	(4,793,443)	(20,872,221)	435%
Other (expense) income				
Other (expense), net	(425,425)	(538,862)	113,437	-21%
Loss from change in fair value of contingent consideration	631,298	-	631,298	–
Total other (expense) income	205,873	(538,862)	744,735	-138%
Net loss	$(25,459,791)	$ (5,332,305)	$(20,127,486)	377%

	Nine Months Ended March 31,			
	2021	2020	Change	%
Revenues				
Product and service revenue, net	$ 42,149,561	$ 12,771,235	$ 29,378,326	230%
Operating expenses				
Cost of sales	23,499,842	2,980,425	20,519,417	688%
Research and development	858,698	223,197	635,501	285%
Selling, general and administrative	35,825,175	19,494,368	16,330,807	84%
Acquisition related costs	2,849,037	1,533,723	1,315,314	86%
Restructuring costs	4,874,723	135,981	4,738,742	3485%
Amortization and impairment of intangible assets	9,039,597	2,899,553	6,140,044	212%
Total operating expenses	76,947,072	27,267,247	49,679,825	182%
Loss from operations	(34,797,511)	(14,496,012)	(20,301,499)	140%
Other (expense) income				
Other (expense), net	(1,555,924)	(1,181,206)	(374,718)	32%
Loss from change in fair value of contingent consideration	(2,680,022)	–	(2,680,022)	–
Gain from derecognition of contingent consideration	–	5,199,806	(5,199,806)	-100%
Gain from warrant derivative liability	–	1,830	(1,830)	-100%
Loss on debt exchange	(257,559)	–	(257,559)	–
Total other (expense) income	(4,493,505)	4,020,430	(8,513,935)	-212%
Net loss	$(39,291,016)	$(10,475,582)	$(28,815,434)	275%

Product revenue. We recognized net revenue from product sales of approximately $13.5 million and $8.2 million for the three months ended March 31, 2021 and 2020, respectively. We recognized net revenue from product sales of approximately $42.1 and $12.8 million for the nine months ended March 31, 2021 and 2020, respectively. The increase was primarily driven by the acquisitions of the Pediatric Portfolio on November 1, 2019, the Consumer Health Portfolio on February 14, 2020 and the ADHD product portfolio of Neos on March 19, 2021, as well as additional revenues from COVID-19 test kit sales. Due to our entry on

March 31, 2021 into a termination and transition agreement with Acerus Pharmaceuticals Corporation terminating the License and Supply Agreement related to Natesto, we will no longer recognize revenue related to Natesto as of April 1, 2021.

Cost of sales. We incurred cost of sales of $13.7 million and $2.0 million recognized for the three months ended March 31, 2021 and 2020, respectively. We incurred the cost of sales $23.5 million and $3.0 million for the nine months ended March 31, 2021 and 2020, respectively. The increase was primarily driven by the acquisitions of the Pediatric Portfolio on November 1, 2019, Consumer Health Portfolio on February 14, 2020 and Neos on March 19, 2021, as well as additional sales from COVID-19 test kit sales. In addition, we recognized approximately $7.0 million in write-downs for slow moving inventory during the three-months ended March 31, 2021. Neos manufactures the ADHD products at its Grand Prairie, Texas facilities, and as such, allocates a significant portion of its intangible assets amortization and fixed assets depreciation into cost of sales.

Research and Development. Research and development expenses increased $0.3 million, or 396%, for the three months ended March 31, 2021, compared to the three months ended March 31, 2020. Research and development expenses increased approximately $0.6 million, or 285% for the nine months ended March 31, 2021, compared to the nine months ended March 31, 2020. The increase was due primarily to costs associated with our Healight Platform license and initial research and development costs, as well as the acquisition of Neos on March 19, 2021, which incurs costs related to product development and FDA-required post-marketing clinical trials.

Selling, General and Administrative. Selling, general and administrative costs increased $3.7 million, or 40%, for the three months ended March 31, 2021 compared the three months ended March 31, 2020. Selling, general and administrative costs increased $16.3 million, or approximately 84% for the nine months ended March 31, 2021. The increase was primarily due to acquisitions of the Pediatric Portfolio, Innovus and Neos that occurred in the prior year ended June 30, 2020, of which, only the Pediatric Portfolio was a component of our financial results for November and December of 2019. The remaining portion of the Neos intangible assets amortization and fixed assets depreciation not allocated into cost of sales is allocated to selling, general and administrative expense.

Amortization and impairment of Intangible Assets. Amortization expense of intangible assets was approximately $5.9 million and $1.4 million for the for the three months ended March 31, 2021 and 2020, respectively. Amortization expense of intangible assets was approximately $9.0 million and $2.9 million for the nine months ended March 31, 2021 This expense is related to corresponding amortization of our finite-lived intangible assets. The increase of this expense is due primarily to the $4.3 million write-off of licensed intangible asset related to the March 30, 2021 Natesto divestiture and the Pediatric Portfolio acquisition from Cerecor and Innovus Merger that occurred in the fiscal year ended June 30, 2020..

Acquisition related costs. We incurred acquisition related costs of $1.5 million and $2.8 million during the three and nine months ended March 31, 2021 related to the Neos Merger. During the three and nine months ended March 31, 2020, we incurred acquisition costs of $0.3 million and $1.5 million related to the Innovus Merger. Such costs include legal fees and due diligence expenses and financial advisory fees.

Restructuring costs. We incurred severance costs of $4.8 million and $4.9 million during the three and nine months ended March 31, 2021, respectively, primarily related to the Neos Merger. We incurred severance costs of $0.1 million during the nine month ended March 31, 2020 related to reduction in forces. There were no such costs incurred in during the three months ended March 31, 2020.

Interest (expense) income, net. Interest (expense) income, net for the three months ended March 31, 2021 was expense of approximately $0.4 million, compared to expense of $0.5 million for the three months ended March 31, 2020. Interest (expense) income, net for the nine months ended March 31, 2021 was expense of approximately $1.6 million, compared to interest expense of $1.2 million for the three months ended March 31, 2020. The increase was primarily due to the accretion and interest expense resulting from the assumed fixed payment obligations and other long-term liabilities that arose from the (i) November 1, 2019 acquisition of the Pediatric Portfolio from Cerecor, Inc., (ii) the February 14, 2020, Merger with Innovus and (iii) the March 19, 2021, Merger with Neos.

Loss from change in fair value of contingent consideration. We recognized a gain of approximately $0.7 million from the change in the fair value of the ZolpiMist and Tuzistra contingent consideration liability and a loss of approximately $0.1 million from the change in fair value of the contingent value rights ("CVR's") liability related to the Innovus Merger during the three months ended March 31, 2021. During the nine months ended March 31, 2021, we recognized a loss of approximately $1.7 million from the change in the fair value of the ZolpiMist and Tuzistra contingent consideration liability and a loss of approximately $1.0 million from the change in fair value of the contingent value rights ("CVR's") liability related to the Innovus Merger.

Liquidity and Capital Resources

As of March 31, 2021, we had approximately $46.8 million of cash, cash equivalents and restricted cash. Our operations have historically consumed cash and are expected to continue to require cash, but at a declining rate.

Revenues for the three and nine months ended March 31, 2021 were approximately $13.5 million and $42.1 million, compared to $8.2 million and $12.8 million for the same periods ended March 31, 2020, an increase of 65% and 230%, respectively. Revenue is expected to increase over time, which will allow us to rely less on our existing cash balance and proceeds from financing transactions. Cash used by operations during the three and nine months ended March 31, 2021 was $19.7 million compared to $20.6 million for the three and nine months ended March 31, 2020. The decrease is due primarily to a decrease in working capital and pay down of other liabilities.

As of the date of this report, we expect costs of operations to increase as we integrate the Neos acquisition, invest in new product candidate development and continue to focus on revenue growth through increasing product sales. Our current assets totaling approximately $100.0 million as of March 31, 2021, plus the proceeds expected from ongoing product sales will be used to fund existing operations. We may continue to access the capital markets from time-to-time when market conditions are favorable. The timing and amount of capital that may be raised is dependent the terms and conditions upon which investors would require to provide such capital. There is no guarantee that capital will be available on terms favorable to us and our stockholders, or at all. We raised approximately $29.6 million, net during the nine months ended March 31, 2021, from the sale of approximately 0.4 million shares using our at-the-market facility and from the issuance of approximately 4.8 million shares of our common stock and 0.3 million placement agent warrants on the December 15, 2020 offering. Finally, on December 10, 2020, we exchanged $0.8 million of debt into 0.1 million shares of our common stock, reducing the need to use cash to satisfy this obligation. Between March 31, 2021, and the filing date of this quarterly report on Form 10-Q, we have not issued any common stock under our at-the-market offering program. As of the date of this report, we have adequate capital resources to cover potential net cash outflows for the twelve months following the filing date of this Quarterly Report.

If we are unable to raise adequate capital in the future when it is required, we can adjust our operating plans to reduce the magnitude of the capital needs under our existing operating plan. Some of the adjustments that could be made include delays of and reductions to commercial programs, reductions in headcount, narrowing the scope of our commercial plans, or reductions or delay to our research and development programs. Without sufficient operating capital, we could be required to relinquish rights to products or renegotiate to maintain such rights on less favorable terms than it would otherwise choose. This may lead to impairment or other charges, which could materially affect our balance sheet and operating results.

The following table shows cash flows for the three months ended March 31, 2021 and 2020:

	Nine Months Ended March 31,	
	2021	**2020**
Net cash used in operating activities	$ (19,677,832)	$ (20,609,198)
Net cash used in investing activities	$ (364,094)	$ (5,610,732)
Net cash provided by financing activities	$ 18,498,572	$ 77,441,786

Net Cash Used in Operating Activities

During the nine-months ended March 31, 2021, our operating activities used $19.7 million in cash, which was less than the net loss of $34.2 million, primarily due to a $7.2 write-down related to inventory, and other non-cash adjustments such as depreciation, amortization and accretion, stock-based compensation, and loss from change in fair value of contingent consideration and CVR, decreases in accounts receivable, prepaid expenses, other current assets and an increase in accrued compensation. These charges were offset by an increase in inventory and decreases in accounts payable and accrued liabilities.

During the nine-months ended March 31, 2020, our operating activities used $20.6 million in cash, which was greater than the net loss of $10.5 million, primarily as a result of derecognition of contingent consideration and an increase in accounts receivable, offset by the non-cash depreciation, amortization and accretion, stock-based compensation charges to earnings, coupled with an increase in accounts payable.

Net Cash Used in Investing Activities

During the nine-months ended March 31, 2021, we made a payment of $0.2 million to acquire Neos, net of cash acquired, and paid $0.7 million in contingent consideration.

During the nine-months ended March 31, 2020, we used $1.4 million for the Innovus Merger. We also used $4.5 million for the Cerecor acquisition and we paid $0.2 million in contingent consideration offset by cash of $0.4 million received from Innovus Merger.

Net Cash from Financing Activities

Net cash provided by financing activities in the nine-months ended March 31, 2021 was $18.6 million. This was primarily related to the December 2020 offering for gross proceeds cost of $28.8 million offset by the offering cost of $2.6 million. We also issued shares of our common stock under the ATM with gross proceeds of $3.6 million, which was offset by commission and other offering cost of $1.6 million. We paid approximately $6.0 million on our short-term line of credit, $3.0 million related to fixed payment obligation and $0.3 million of debt.

Net cash provided by financing activities in the nine-months ended March 31, 2020 was $77.4 million. This was primarily related to the (i) October 2019 Offering for gross proceeds of $10.0 million, offset by the offering cost of $0.7 million which was paid in cash; (ii) $49 million raised in the March 2020 Offerings, offset by offering costs of approximately $4.5 million, and (iii) $23.0 million raised as the result of warrant exercises in March 2020.

Off Balance Sheet Arrangements

We do not have off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “variable interest entities.”

Contractual Obligations and Commitments

Information regarding our Contractual Obligations and Commitments is contained in Note 10 to the Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are not currently exposed to material market risk arising from financial instruments, changes in interest rates or commodity prices, or fluctuations in foreign currencies. We have not identified a need to hedge against any of the foregoing risks and therefore currently engage in no hedging activities.

Item 4. Controls and Procedures.

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out by our management, with the participation of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports we file or submit under the

Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and are operating in an effective manner.

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting, except as described below, known to the Chief Executive Officer or the Chief Financial Officer that occurred during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our assessment of in our internal controls over financial reporting excluded those processes or controls that exist at our Aytu Consumer Health reporting unit, which we acquired from the February 14, 2020. Those controls related to the Innovus Merger are being evaluated internally, and any changes as a result of that evaluation will be disclosed in future filings.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Harris and Walker County. On March 7, 2018 and April 18, 2019, Neos received citations advising Neos that the County of Harris Texas ("Harris County") and the County of Walker Texas ("Walker County") filed lawsuits on December 13, 2017 and January 11, 2019, respectively, against Neos and various other alleged manufacturers, promoters, sellers and distributors of opioid pharmaceutical products. Through these lawsuits, each of Harris County and Walker County seek to recoup as damages some of the expenses they allegedly have incurred to combat opioid use and addiction. Each of Harris County and Walker County also seeks punitive damages, disgorgement of profits and attorneys' fees.

Merger Action. On Between January 27, 2021 and February 25, 2021, nine lawsuits were filed related to the Neos Merger; on January 27, 2021, *Wang v. Neos Therapeutics, Inc., et al*., 1:21-cv-00095, was filed by purported Neos stockholder Elaine Wang against Neos and its directors in the U.S. District Court for the District of Delaware; on January 29, 2021, *Dupree v. Neos Therapeutics, Inc., et al*., 1:121-cv-00124, was filed by purported Neos stockholder Michael Dupree against Neos, its directors, the Merger Sub, and Aytu in the U.S. District Court for the District of Delaware; on February 1, 2021, *London v. Neos Therapeutics, Inc., et al*., 1:21-cv-00874, was filed by purported Neos stockholder Jack London against Neos and its directors in the U.S. District Court for the Southern District of New York; on February 3, 2021, *Kates v. Neos Therapeutics, Inc., et al*., 1:21-cv-00953, was filed by purported Neos stockholder Erin Kates against Neos and its directors in the U.S. District Court for the Southern District of New York; on February 3, 2021, *Smith v. Neos Therapeutics, Inc., et al*., 1:21-cv-00940, was filed by purported Neos stockholder Hayley Smith against Neos, its directors, the Merger Sub, and Aytu in the U.S. District Court for the Southern District of New York; on February 9, 2021, *Tkatch v. Neos Therapeutics, Inc., et al*., 1:21-cv-01187, was filed by purported Neos stockholder Natalia Tkatch against Neos and its directors, the Merger Sub, and Aytu in the U.S. District Court for the Southern District of New York; on February 16, 2021, *Bushansky v. Neos Therapeutics, Inc., et al*., 1:121-cv-00208, was filed by purported Neos stockholder Stephen Bushansky against Neos and its directors in the U.S. District Court for the District of Delaware; on February 16, 2021, *Wheeler v. Neos Therapeutics, Inc., et al*., 1:121-cv-00213, was filed by purported Neos stockholder Jacob Wheeler against Neos and its directors in the U.S. District Court for the District of Delaware; on February 25, 2021, *Hein v. Neos Therapeutics, Inc., et al*., 1:121-cv-00287, was filed by purported Neos stockholder Matthew Hein against Neos and its directors in the U.S. District Court for the District of Delaware. The *London*, *Kates, Tkatch, Dupree and Wang* cases were subsequently dismissed.

Item 1A. Risk Factors.

In addition to other information set forth in this report, you should carefully consider the risk factors discussed in Part I, Item 1A. “Risk Factors” in our Annual Report, which could materially affect our business, financial condition, cash flows, and/or future results. The risk factors in our Annual Report are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or future results. There are no additional risk factors other than those contained in our Annual Report.

RISKS RELATED TO OUR BUSINESS AND FINANCIAL POSITION

Our business and operations would suffer in the event of system failures.

We utilize information technology, or IT, systems and networks to process, transmit and store electronic information in connection with our business activities. As use of digital technologies has increased, cyber incidents, including deliberate attacks and attempts to gain unauthorized access to computer systems and networks, have increased in frequency and sophistication. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. There can be no assurance that we will be successful in preventing cyber-attacks or successfully mitigating their effects.

Despite the implementation of security measures, our internal computer systems and those of our contractors and consultants are vulnerable to damage from such cyber attacks, including computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such an event could cause interruption of our operations. For example, the loss of data from completed clinical trials for our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs. To the extent that any disruption or security breach were to result in a loss of or damage to our data, or inappropriate disclosure of confidential or proprietary information, we could suffer reputational harm or face litigation or adverse regulatory action and the development of our product candidates could be delayed.

RISKS RELATED TO COMMERCIALIZATION

The design, development, manufacture, supply and distribution of our products and product candidates are highly regulated processes and technically complex.

We are subject to extensive regulation in connection with the preparation and manufacture of our products for commercial sale. Components of a finished therapeutic product approved for commercial sale or used in late-stage clinical trials must be manufactured in accordance with cGMPs and equivalent foreign standards. These regulations govern manufacturing processes and procedures, including record keeping, and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Poor control of production processes can lead to the introduction of adventitious agents or other contaminants, or to inadvertent changes in the properties or stability of our products and product candidates that may not be detectable in final product testing. The development, manufacture, supply and distribution of our approved products as well as any of our future potential product candidates, are highly regulated processes and technically complex. We, along with our third-party suppliers, must comply with all applicable regulatory requirements of the FDA and foreign authorities. For instance, because each of our attention deficit/hyperactivity disorder (“ADHD”) products, generic Tussionex, Tuzistra XR, and ZolpiMist is a regulated drug product and subject to the U.S. Drug Enforcement Administration (“DEA”) and state-level regulations, we have had to, and will continue to, need to secure state licenses from each state in which we intend to sell such product allowing us to distribute a regulated drug product in such state.

Regulatory authorities also may, at any time following approval of a product for sale, audit our manufacturing facilities. If any such inspection or audit identifies a failure to comply with applicable regulations or if a violation of our product specifications or applicable regulations occurs independent of such an inspection or audit, we or the relevant regulatory authority may require remedial measures that may be costly and/or time-consuming for us to implement and that may include the temporary or permanent suspension of a clinical trial or commercial sales or the temporary or permanent closure of our facility. Any such remedial measures imposed upon us could materially harm our business. If we fail to maintain regulatory compliance, the FDA can impose regulatory sanctions including, among other things, refusal to approve a pending application for a new drug product or revocation of a pre-existing approval. As a result, our business, financial condition and results of operations may be materially harmed.

We rely on limited sources of supply for our ADHD products and our generic Tussionex, and any disruption in the chain of supply may impact production and sales of our ADHD products and our generic Tussionex, and cause delays in developing and commercializing our product candidates and currently manufactured and commercialized products.

Our approved NDAs for our ADHD products, include our proposed manufacturing process for each product. Any change to our manufacturing process, facilities or suppliers could require that we supplement our approved NDA. Also, because of our proprietary processes for manufacturing our product candidates, we cannot immediately transfer manufacturing activities for our ADHD products or our generic Tussionex to an alternate supplier, and a change of facilities would be a time-consuming and costly endeavor.

Any changes to our manufacturing process would involve substantial cost and could result in a delay in our desired clinical and commercial timelines. We are also reliant on a limited number of suppliers for resin, drug compounds, coating and other component substances of our final product candidates and products. If any of these single-source suppliers were to breach or terminate its supply agreement, if any, with us or otherwise not supply us, we would need to identify an alternative source for the supply of component substances for our product candidates and products. Identifying an appropriately qualified source of alternative supply for any one or more of the component substances for our product candidates or products could be time consuming, and we may not be able to do so without incurring material delays in the development and commercialization of our approved products or product candidates or a decrease in sales of our approved products, which could harm our financial position and commercial potential for our product candidates and products. Any alternative vendor would also need to be qualified through an NDA supplement which could result in further delay, including delays related to additional clinical trials. The FDA, DEA, or other regulatory agencies outside of the United States may also require additional studies if we enter into agreements with new suppliers for the manufacture of our ADHD products and our generic Tussionex that differ from the suppliers used for clinical development of such product candidates.

These factors could cause the delay of clinical trials, regulatory submissions, required approvals or commercialization of our products and product candidates, cause us to incur higher costs and prevent us from commercializing them successfully. Furthermore, if our suppliers fail to deliver the required commercial quantities of components and APIs on a timely basis and at commercially reasonable prices, including if our suppliers did not receive adequate DEA quotas for the supply of certain scheduled components, and we are unable to secure one or more replacement suppliers capable of production at a substantially equivalent cost, commercialization of our ADHD products, our generic Tussionex and clinical trials of future potential product candidates, may be delayed or we could lose potential revenue and our business, financial condition, results of operation and reputation could be adversely affected.

If we fail to produce our products or product candidates in the volumes that are required on a timely basis, we may face penalties from wholesalers and contracted retailers of our products and delays in the development and commercialization of our product candidates.

We currently depend on third-party suppliers for the supply of the APIs for our products and product candidates, including drug substance for nonclinical research, clinical trials and commercialization. For our ADHD products, our generic Tussionex and NT0502, our product candidate for sialorrhea, we currently rely on single suppliers for raw materials including APIs, which we use to manufacture, produce and package final dosage forms. In particular, we have an exclusive supply agreement with Coating Place, Inc. (“CPI”), pursuant to which CPI (i) is the exclusive supplier of the active ingredient complexes in our generic Tussionex and (ii) has agreed to not supply anyone else engaged in the production of generic Tussionex with such active ingredient complexes. Any future curtailment in the availability of raw materials could result in production or other delays with consequent adverse effects on us. In addition, because regulatory authorities must generally approve raw material sources for pharmaceutical products, changes in raw material suppliers may result in production delays or higher raw material costs. We are subject to penalties from wholesalers and contracted retailers if we do not deliver our generic Tussionex and ADHD products in quantities that meet their demand. Any such delays could trigger these penalty provisions, which would have a negative impact on our business.

If we fail to manufacture our ADHD in sufficient quantities and at acceptable quality and pricing levels, or fail to obtain adequate DEA quotas for controlled substances, or to fully comply with cGMP regulations, we may face delays in the commercialization of these products or our product candidates, if approved, or be unable to meet market demand, and may be unable to generate potential revenues.

The manufacture of pharmaceutical products requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls, and the use of specialized processing equipment. Pharmaceutical companies often encounter difficulties in manufacturing, particularly in scaling up production of their products. These problems

include manufacturing difficulties relating to production costs and yields, quality control, including stability of the product and quality assurance testing, shortages of qualified personnel, as well as compliance with federal, state and foreign regulations. If we are unable to demonstrate stability in accordance with commercial requirements, or if our raw material manufacturers were to encounter difficulties or otherwise fail to comply with their obligations to us, our ability to obtain FDA approval and market our products and product candidates would be jeopardized. In addition, any delay or interruption in the supply of clinical trial supplies could delay or prohibit the completion of our clinical trials, increase the costs associated with conducting our clinical trials and, depending upon the period of delay, require us to commence new trials at significant additional expense or to terminate a trial. We purchase raw materials and components from various suppliers in order to manufacture our ADHD products. If we are unable to source the required raw materials from our suppliers, or if we do not obtain DEA quotas or receive inadequate DEA quotas, we may experience delays in manufacturing our ADHD products, and may not be able to meet our customers' demands for our products.

In addition, we must comply with federal, state and foreign regulations, including cGMP requirements enforced by the FDA through its facilities inspection program. These requirements include, among other things, quality control, quality assurance and the maintenance of records and documentation. We may be unable to comply with these cGMP requirements and with other FDA and foreign regulatory requirements. A failure to comply with these requirements may result in fines and civil penalties, suspension of production, suspension or delay in product approval, product seizure or voluntary recall, or withdrawal of product approval. If the safety of any of our products or product candidates is compromised due to failure to adhere to applicable laws or for other reasons, we may not be able to obtain, or to maintain once obtained, regulatory approval for such products or product candidates or successfully commercialize such products or product candidates, and we may be held liable for any injuries sustained as a result. Any of these factors could cause a delay in clinical development, regulatory submissions, approvals or commercialization of our products or product candidates, entail higher costs or result in our being unable to effectively commercialize our products or product candidates. Any manufacturing defect or error discovered after products have been produced and distributed could result in even more significant consequences, including costly recall procedures, re-stocking costs, damage to our reputation and potential for product liability claims.

Our Grand Prairie facility was formerly operated by our predecessor, PharmaFab, Inc., or PharmaFab. In April 2007, the FDA announced entry of a Consent Decree of Permanent Injunction, or the Consent Decree, against PharmaFab, one of its subsidiaries and two of its officials. The Consent Decree arose out of several perceived cGMP deficiencies related to the manufacture of unapproved drugs or Drug Efficacy Study Implementation drugs that we no longer manufacture. In July 2019, we filed a motion with the U.S. District Court of North Texas to vacate the Consent Decree, which was unopposed by the Department of Justice and the FDA and was granted by the court on July 11, 2019. While the Consent Decree has been vacated, there can be no assurance that we will not become subject to similar orders in the future, which may result in us continuing to expend resources and attention to observe its terms, and there can be no assurance that we will be in compliance with its requirements.

If our sole manufacturing facility becomes damaged or inoperable or we decide to or are required to vacate our facility, our ability to manufacture our ADHD products, our generic Tussionex or future potential product candidates for clinical development, may be jeopardized. Our inability to continue manufacturing adequate supplies of our products could adversely affect our ability to generate revenues.

All of our manufacturing capabilities are housed in our sole manufacturing facility located in Grand Prairie, Texas. Our facility and equipment could be harmed or rendered inoperable by natural or man-made disasters, including war, fire, tornado, power loss, communications failure or terrorism, any of which may render it difficult or impossible for us to operate our drug delivery technology platform and manufacture our product candidates or products for some period of time. While we seek to maintain finished goods inventory of our products outside of this facility, it is unlikely that the level of such inventory would be sufficient if we were to sustain anything other than a short-term disruption in our ability to manufacture our products and product candidates at our Grand Prairie, Texas facility. The inability to manufacture our products and product candidates if our facility or our equipment is inoperable, for even a short period of time, may result in the loss of customers or harm to our reputation, and we may be unable to regain those customers or repair our reputation in the future. Furthermore, our facility and the equipment we use to manufacture our products and product candidates could become damaged and time-consuming to repair or replace. It would be difficult, time-consuming and expensive to rebuild our facility or repair or replace our equipment or license or transfer our proprietary technology to a third-party, particularly in light of the requirements for a DEA-registered manufacturing and storage facility like ours. If we decide to or are required to change or add a new manufacturer or supplier, the process would likely require prior FDA, DEA and/or equivalent foreign regulatory authority approval, and would be time consuming and costly. Even in the event we are able to find a third party with such qualifications to enable us to manufacture our products or product candidates, we may be unable to negotiate commercially reasonable terms.

We carry insurance for damage to our property and the disruption of our business, but this insurance may not cover all of the risks associated with damage or disruption to our business, may not provide coverage in amounts sufficient to cover our potential losses and may not continue to be available to us on acceptable terms, if at all. An inability to continue manufacturing adequate supplies of our ADHD products or our generic Tussionex at our Grand Prairie, Texas facility could result in a disruption in the supply of our products to physicians and pharmacies, which would adversely affect our ability to generate revenues.

Amphetamine, methylphenidate and hydrocodone are Schedule II controlled substances under the Controlled Substances Act, and any failure to comply with this Act or its state equivalents would have a negative impact on our business.

Amphetamine, methylphenidate and hydrocodone, which are the active ingredients in our Adzenys XR-ODT, Adzenys ER, Cotempla XR-ODT and generic Tussionex products, are listed by the DEA as a Schedule II controlled substance under the Controlled Substances Act ("CSA"). The DEA classifies substances as Schedule I, II, III, IV or V controlled substances, with Schedule I controlled substances considered to present the highest risk of substance abuse and Schedule V controlled substances the lowest risk. Scheduled controlled substances are subject to DEA regulations relating to supply, procurement, manufacturing, storage, distribution and physician prescription procedures. For example, Schedule II controlled substances are subject to various restrictions, including, but not limited to, mandatory written prescriptions and the prohibition of refills. In addition to federal scheduling, some drugs may be subject to state-controlled substance laws and regulations and more extensive requirements than those determined by the DEA and FDA. Though state controlled substances laws often mirror federal law, because the states are separate jurisdictions, they may schedule products separately. While some states automatically schedule a drug when the DEA does so, other states require additional state rulemaking or legislative action, which could delay commercialization. Some state and local governments also require manufacturers to operate a drug stewardship program that collects, secures, transports and safely disposes of unwanted drugs.

Entities must register annually with the DEA to manufacture, distribute, dispense, import, export and conduct research using controlled substances. In addition, the DEA requires entities handling controlled substances to maintain records and file reports, including those for thefts or losses of any controlled substances, and to obtain authorization to destroy any controlled substances.

Registered entities are subject to DEA inspection and also must follow specific labeling and packaging requirements, and provide appropriate security measures to control against diversion of controlled substances. Security requirements vary by controlled substance schedule with the most stringent requirements applying to Schedule I and Schedule II controlled substances. Required security measures include background checks on employees and physical control of inventory through measures such as vaults and inventory reconciliations. Failure to follow these requirements can lead to significant civil and/or criminal penalties and possibly even lead to a revocation of a DEA registration. The DEA also has a production and procurement quota system that controls and limits the availability and production of Schedule I or II controlled substances. If we or any of our suppliers of raw materials that are

DEA-classified as Schedule I or II controlled substances are unable to receive any quota or a sufficient quota to meet demand for our products, if any, our business would be negatively impacted.

Public concern over the abuse of medications that are controlled substances, including increased legislative, legal and regulatory action, could negatively affect our business.

Products containing controlled substances may generate public controversy. Certain governmental and regulatory agencies, as well as state and local jurisdictions, are focused on the abuse of controlled substances such as opioids in the United States. State and local governmental agencies have commenced investigations into pharmaceutical companies and others in the supply chain in connection with the distribution of opioid medications. For example, on March 7, 2018 and April 18, 2019, we received citations advising us that the County of Harris Texas and the County of Walker Texas filed lawsuits on December 13, 2017 and January 11, 2019, respectively, against us and various other alleged manufacturers, promoters, sellers and distributors of opioid pharmaceutical products. Through these lawsuits, each of Harris County and Walker County seek to recoup as damages some of the expenses they allegedly have incurred to combat opioid use and addiction. Each of Harris County and Walker County also seeks punitive damages, disgorgement of profits and attorneys' fees. In addition, multiple lawsuits have been filed against pharmaceutical companies alleging, among other claims, failures to provide effective controls and procedures to guard against the diversion of controlled substances, negligence by distributing controlled substances to pharmacies that serve individuals who abuse controlled substances, and failures to report suspicious orders of controlled substances in accordance with regulations. Certain of these cases have recently been settled, some for hundreds of millions of dollars. In the future, political pressures and adverse publicity could lead to delays in, and increased expenses for, and limit or restrict, the introduction and marketing of our product or product candidates, the withdrawal of currently approved products from the market, or result in other legal action.

In addition, we are aware of other legislative, regulatory or industry measures to address the misuse of prescription opioid medications which could affect our business in ways that we may not be able to predict. For example, the State of New York has undertaken efforts to create an annual surcharge on all manufacturers and distributors licensed to sell or distribute opioids in New York, as well as a tax on sales of opioids in the state. Other states have implemented and are also considering legislation that could require us to pay taxes, licensing fees, or assessments on the distribution of opioid medications in those states. These laws and proposed bills vary in the amounts and the means of calculation. Liabilities for taxes or assessments under any such laws will likely have an adverse impact on our results of operations, unless we are able to mitigate them through operational changes or commercial arrangements where permitted and may result in us ceasing to continue to sell our products in these jurisdictions.

Product liability lawsuits could divert our resources, result in substantial liabilities and reduce the commercial potential of our products.

The risk that we may be sued on product liability claims is inherent in the development of pharmaceutical products. We face a risk of product liability exposure related to the testing of our product candidates in clinical trials and face even greater risks related to the commercialization of our products and upon any commercialization by us of our future products and, if approved, our product candidates, such as claims related to opioid abuse. For example, on March 7, 2018, we received a citation advising us that the County of Harris Texas filed a lawsuit on December 13, 2017 against us and various other alleged manufacturers, promoters, sellers and distributors of opioid pharmaceutical products. On April 18, 2019, we received a citation advising us that the County of Walker Texas filed a lawsuit on January 11, 2019 against us and various other alleged manufacturers, promoters, sellers and distributors of opioid pharmaceutical products. These lawsuits may divert our management from pursuing our business strategy and may be costly to defend. In addition, if we are held liable in any of these lawsuits, we may incur substantial liabilities and may be forced to limit or forego further commercialization of one or more of our products.

Our product liability insurance coverage may not be adequate to cover any and all liabilities that we may incur.

We currently carry product liability insurance coverage, although aggregate limits may not be adequate to cover any and all liabilities that we may incur. Insurance coverage is increasingly expensive and difficult to obtain. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. Large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. A successful product liability claim or series of claims brought against us, particularly if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business. In addition, we may not be able to obtain or maintain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims, which could prevent or inhibit the commercial production and sale of our products. For example, we have experienced increasing difficulty in procuring insurance coverage for our products, in particular, our opioid-based product, due to their status as controlled substances.

GENERAL RISK FACTORS

Our business may be adversely affected by the effects of the COVID-19 pandemic.

In December 2019, a novel strain of coronavirus, SARS-CoV-2, causing a disease referred to as COVID-19, was reported to have surfaced in Wuhan, China. It has since spread to multiple other countries and, in March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. This pandemic has adversely affected or has the potential to adversely affect, among other things, the economic and financial markets and labor resources of the countries in which we operate, our manufacturing and supply chain operations, research and development efforts, commercial operations and sales force, administrative personnel, third-party service providers, business partners and customers, and the demand for some of our marketed products.

The COVID-19 pandemic has resulted in travel and other restrictions to reduce the spread of the disease, including governmental orders across the globe, which, among other things, direct individuals to shelter at their places of residence, direct businesses and governmental agencies to cease non-essential operations at physical locations, prohibit certain non-essential gatherings, maintain social distancing, and order cessation of non-essential travel. As a result of these recent developments, we have implemented work-from-home policies for a significant part of our employees. The effects of shelter-in-place and social distancing orders, government-imposed quarantines, and work-from-home policies may negatively impact productivity, disrupt our business, and delay our business timelines, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on our ability to conduct our business in the ordinary course. Such restrictions and limitations may also negatively impact our access to regulatory authorities (which may be affected, among other things, by travel restrictions and may be delayed in responding to inquiries, reviewing filings, and conducting inspections). The COVID-19 pandemic may also result in the loss of some of our key personnel, either temporarily or permanently. In addition, our sales and marketing efforts may be impacted by postponement of face-to-face meetings and restrictions on access by non-essential personnel to hospitals or clinics, all of which could slow adoption and implementation of our marketed products, resulting in lower net product sales. For example, while the impact of shelter-in-place and social distancing orders, physicians' office closures, and delays in the treatment of patients following the COVID-19 pandemic on our net product sales of our products for the three months ended March 31, 2020 was limited, overall demand was lower in April 2020 compared to the same period of 2019. In addition to other potential impacts of the COVID-19 pandemic on net product sales, we expect to see continued adverse impact on new patient starts for all products while these measures remain in place. Demand for some or all of our marketed products may continue to be reduced while the shelter-in-place or social distancing orders are in effect and, as a result, some of our inventory may become obsolete and may need to be written off,

impacting our operating results. These and similar, and perhaps more severe, disruptions in our operations may materially adversely impact our business, operating results, and financial condition.

Quarantines, shelter-in-place, social distancing, and similar government orders (or the perception that such orders, shutdowns, or other restrictions on the conduct of business operations could occur) related to COVID-19 or other infectious diseases are impacting personnel at our research and manufacturing facilities, our suppliers, and other third parties on which we rely, and may impact the availability or cost of materials produced by or purchased from such parties, which could result in a disruption in our supply chain.

In addition, infections and deaths related to COVID-19 may disrupt the United States' healthcare and healthcare regulatory systems. Such disruptions could divert healthcare resources away from, or materially delay, FDA review and potential approval of our marketed products. It is unknown how long these disruptions could continue. Further, while we are focused on therapies to address the COVID-19 pandemic, our other product candidates may need to be de-prioritized. Any elongation or de-prioritization of our other products could materially affect our business.

While the potential economic impact brought by, and the duration of, the COVID-19 pandemic may be difficult to assess or predict, it is currently resulting in significant disruption of global financial markets. This disruption, if sustained or recurrent, could make it more difficult for us to access capital if needed. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our common stock. The global COVID-19 pandemic continues to rapidly evolve. The ultimate impact of this pandemic is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, healthcare systems, or the global economy as a whole. These effects could have a material impact on our operations. To the extent the COVID-19 pandemic adversely affects our business, prospects, operating results, or financial condition.

Legislative or regulatory reform of the health care system in the United States may adversely impact our business, operations or financial results.

Our industry is highly regulated and changes in law may adversely impact our business, operations or financial results. In particular, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively the "Affordable Care Act" or "ACA"), was signed into law. This legislation changes the current system of healthcare insurance and benefits intended to broaden coverage and control costs. The law also contains provisions that will affect companies in the pharmaceutical industry and other healthcare related industries by imposing additional costs and changes to business practices. Provisions affecting pharmaceutical companies include the following:

- mandatory rebates for drugs sold into the Medicaid program have been increased, and the rebate requirement has been extended to drugs used in risk based Medicaid managed care plans.
- the 340B Drug Pricing Program under the Public Health Service Act has been extended to require mandatory discounts for drug products sold to certain critical access hospitals, cancer hospitals and other covered entities.
- pharmaceutical companies are required to offer discounts on branded drugs to patients who fall within the Medicare Part D coverage gap, commonly referred to as the "Donut Hole."
- pharmaceutical companies are required to pay an annual non tax deductible fee to the federal government based on each company's market share of prior year total sales of branded drugs to certain federal healthcare programs, such as Medicare, Medicaid, Department of Veterans Affairs and Department of Defense.

Despite initiatives to invalidate the ACA, the U.S. Supreme Court has upheld certain key aspects of the legislation, including a tax-based shared responsibility payment imposed on certain individuals who fail to maintain qualifying health coverage for all or part of a year, which is commonly referred to as the "individual mandate." However, as a result of tax reform legislation passed in December 2017, the individual mandate has been eliminated effective January 1, 2019. On December 14, 2018, a U.S. District Court judge in the Northern District of Texas ruled that the individual mandate portion of the ACA is an essential and inseverable feature of the ACA, and therefore because the mandate was repealed as part of the Tax Cuts and Jobs Act, the remaining provisions of the ACA are invalid as well. The Trump administration and CMS have both stated that the ruling will have no immediate effect, and on December 30, 2018, the same judge issued an order staying the judgment pending appeal. On December 18, 2019, the Fifth Circuit U.S. Court of Appeals held that the individual mandate is unconstitutional, and remanded the case to the lower court to reconsider its earlier invalidation of the full ACA. Pending review, it is unclear what effect the latest ruling will have on the status of the ACA. Litigation and legislation over the ACA are likely to continue, with unpredictable and uncertain results. We will continue to evaluate the effect that the ACA and its possible repeal and replacement has on our business.

In addition, since January 2017, President Trump has signed two Executive Orders designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. Further, the Trump administration has concluded that cost-sharing reduction, or CSR, payments to insurance companies required under the ACA have not received necessary appropriations from Congress and announced that it would discontinue these payments immediately until such appropriations are made. The loss of the CSR payments is expected to increase premiums on certain policies issued by qualified health plans under the ACA. Several state Attorneys General filed suit to stop the administration from terminating the subsidies, but their request for a restraining order was denied by a federal judge in California on October 25, 2017 and again on July 18, 2018. Furthermore, on June 14, 2018, the U.S. Court of Appeals for the Federal Circuit ruled that the federal government was not required to pay more than $12 billion in ACA risk corridor payments to third-party payors who argued were owed to them. On December 10, 2019, the U.S. Supreme Court heard arguments in *Moda Health Plan, Inc. v. United States*, which will determine whether the government must make risk corridor payments. On April 27, 2020, the U.S. Supreme Court decided that ACA requires the federal government to compensate insurers for significant losses their health plans incurred during the first three years of the Act's marketplaces, and that insurers can sue for nonpayment in the Court of Federal Claims. The effects of a potential future gap in reimbursement on third party payors, the viability of the ACA marketplace, providers, and potentially our business, are not yet known. In December 2018, CMS published a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of the federal district court litigation regarding the method CMS uses to determine this risk adjustment.

Moreover, on January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so called "Cadillac" tax on certain high cost employer-

sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share, and the medical device excise tax on non-exempt medical devices; however, on December 20, 2019, President Trump signed into law the Further Consolidated Appropriations Act (H.R. 1865), which repeals the Cadillac tax, the health insurance provider tax, and the medical device excise tax. It is impossible to determine whether similar taxes could be instated in the future.

In 2021, Congress may consider other legislation to repeal and replace elements of the ACA, and litigation and legislation over the ACA are likely to continue, with unpredictable and uncertain results. Changes to the ACA or other existing health care regulations could significantly impact our business and the pharmaceutical industry. Although it is too early to determine the effect of legal challenges, pending legislation, and executive action on the ACA, the law appears likely to continue the pressure on pharmaceutical pricing, especially under the Medicare program, and may also increase our regulatory burdens and operating costs.

Additionally, other federal health reform measures have been proposed and adopted in the United States since the ACA was enacted:

- the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. These changes included aggregate reductions of Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments, will remain in effect through 2027 unless additional Congressional action is taken.

- the American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

The Right to Try Act of 2018 provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase I clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a drug manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act, but the manufacturer should develop an internal policy and respond to patient requests according to that policy.

Further, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which have resulted in several recent Congressional inquiries and proposed bills designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. In addition, the United States government, state legislatures, and foreign governments have shown significant interest in implementing cost containment programs, including price-controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs to limit the growth of government paid health care costs. Individual states in the United States have become increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

At the federal level, the Trump Administration's budget proposal for fiscal year 2020 contains further drug price control measures that could be enacted during the 2020 budget process or in other future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. Additionally, the Trump Administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. HHS has already started the process of soliciting feedback on some of these measures and, at the same time, is immediately implementing others under its existing authority. Additionally, in December 2019, the FDA issued a draft guidance document outlining a potential pathway for manufacturers to obtain an additional National Drug Code, or NDC, for an FDA-approved drug that was originally intended to be marketed in a foreign country and that was authorized for sale in that foreign country. The regulatory and market implications of the draft guidance, if finalized, is unknown at this time. Proponents of drug reimportation may attempt to pass legislation that would directly allow reimportation under certain circumstances. Legislation or regulations allowing the reimportation of drugs, if enacted, could decrease the price we receive for any products that we may develop and adversely affect our future revenues and prospects for profitability. Further, Congress and the Trump Administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. For example, on September 25, 2019, the Senate Finance Committee introduced the Prescription Drug Pricing Reduction Act of 2019, a bill intended to reduce Medicare and Medicaid prescription drug prices. The proposed legislation would restructure the Part D benefit, modify payment methodologies for certain drugs, and impose an inflation cap on drug price increases. An even more restrictive bill, the Lower Drug Costs Now Act of 2019, was introduced in the House of Representatives on September 19, 2019, and would require the Department of Health and Human Services (HHS) to directly negotiate drug prices with manufacturers. The Lower Drugs Costs Now Act of 2019 has passed out of the House and was delivered to the Senate on December 16, 2019. However, it is unclear whether either of these bills will make it through both chambers and be signed into law, and if either is enacted, what effect it would have on our business. At the state level, legislatures have become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, have been designed to encourage importation from other countries and bulk purchasing. We anticipate pricing scrutiny will continue and escalate, including on a global basis. As a result, our business and reputation may be harmed, our stock price may be adversely impacted and experience periods of volatility, and our results of operations may be adversely impacted.

CMS may also develop new payment and delivery models, such as bundled payment models. CMS finalized regulations that give states greater flexibility in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the essential health benefits required under the ACA for plans sold through such marketplaces. Additionally, CMS finalized a rule that amends the Medicare Advantage and Medicare Part D prescription drug benefit regulations to reduce out of pocket costs for plan enrollees and allow Medicare plans to negotiate lower rates for certain drugs. In May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization, for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019. CMS is still considering proposed changes to the definition of "negotiated prices" in the regulations. It is unclear what effect such changes will have on our business and ability to receive adequate reimbursement for our products.

In addition, in September 2007, the Food and Drug Administration Amendments Act of 2007 was enacted giving the FDA enhanced post-marketing authority including the authority to require post-marketing studies and clinical trials, labeling changes based on new safety information and compliance with REMS approved by the FDA. The FDA's exercise of this authority could result in delays or increased costs during product development, clinical trials and regulatory review, increased costs to ensure compliance with post-approval regulatory requirements and potential restrictions on the sale and/or distribution of approved products.

Moreover, we cannot predict what healthcare reform initiatives may be adopted in the future. Further federal and state legislative and regulatory developments are likely, and we expect ongoing initiatives in the United States to increase pressure on drug pricing. Such reforms could have an adverse effect on anticipated revenues from product candidates that we may successfully develop and for which we may obtain regulatory approval and may affect our overall financial condition and ability to develop product candidates.

Inadequate funding for the FDA, and other government agencies could prevent our new products, services and product candidates from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of government agencies on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which could adversely affect our business. Any government shutdown or other disruption of normal activities at these regulatory agencies, such as the FDA, could lead to a delay or stop in critical activities. If a prolonged government shutdown were to occur, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Our Enzastaurin product candidate is being developed for other indications by other sponsors. Any undesirable adverse events that occur in relation to the activities by other sponsors could delay or prevent our regulatory approval, limit the commercial profile of Enzastaurin, or result in significant negative consequences following any regulatory approval.

Undesirable adverse events that occur in relation to the activities by other sponsors related to our Enzastaurin product candidate could cause us or regulatory authorities to interrupt, delay or halt development or could result in the delay or denial of regulatory approval by the FDA or other comparable regulatory authorities. Drug-related adverse events involving Enzastaurin by other sponsors could also harm our reputation, business, financial condition and business prospects.

Additionally, if Enzastaurin receives regulatory approval, and we or others later identify undesirable side effects caused by such drugs, a number of potentially significant negative consequences could result, including but not limited to:

- suspending the marketing of the drug;
- having regulatory authorities withdraw approvals of the drug;
- adding warnings on the label;
- conducting post-market studies;
- being sued and held liable for harm caused to subjects or patients; and
- damage to our reputation.

Any of these events could prevent us from achieving or maintaining market acceptance of Enzastaurin, if approved, and could significantly harm our business, results of operations and prospects.

We may seek Orphan Drug Designation or other designations for our product candidates, but even if designated we may not ultimately realize the potential benefits of such designations.

We may seek Orphan Drug Designation or other designations for our product candidates from the FDA. Under the Orphan Drug Act, the FDA may designate a drug product as an orphan drug if it is intended to treat a rare disease or condition, defined as a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States but where there is no reasonable expectation to recover the costs of developing and marketing a treatment drug in the United States. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and application fee waivers. After the FDA grants Orphan Drug Designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. However, Orphan Drug Designation nor any other designation shortens the development time nor regulatory review time of a product candidate nor gives the candidate any advantage in the regulatory review or approval process.

In addition, if a product receives the first FDA approval for the indication for which it has orphan designation, the product is entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same drug for the same indication for a period of seven years, except in limited circumstances, such as a demonstration of clinical superiority over the product with orphan exclusivity or where the manufacturer is unable to assure sufficient product quantity for the orphan patient population. Exclusive marketing rights in the United States may also be unavailable if we or our collaborators seek approval for an indication broader than the orphan designated indication and may be lost if the FDA later determines that the request for designation was materially defective. Even if we obtain Orphan Drug Designation, we may not be the first to obtain marketing approval for any particular orphan indication due to the uncertainties associated with developing pharmaceutical products. Further, even if we obtain orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve

the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is safer, more effective, or makes a major contribution to patient care.

We may never realize the expected benefits from the divestiture of Natesto.

The divestiture of Natesto is part of a strategy to transform ourselves into a high growth, specialty pharmaceutical company. If we are unable to achieve our growth and profitability objectives due to competition, lack of acceptance of our products, failure to generate favorable clinical data or gain regulatory approvals, or other risks as described in this section, or due to other events, we will not be successful in transforming our business and may not see the appropriate market valuation. Moreover, Natesto generated substantial revenue historically which we may not be able to replace. While over time we expect to replace this revenue by investing in, acquiring and accelerating other revenue streams, there is a risk we will be unable to replace the revenue that Natesto generated, or that the cost of such will be higher than expected. In addition, we may not ultimately receive the full benefits from the divestiture over the term as expected. If we are unable to achieve our growth objectives, such failure will be exacerbated by the loss of revenue generated by Natesto, and could materially impact our financial position and results of operations, resulting in a decline in our stock price.

Clinical drug development is a lengthy and expensive process with uncertain timelines and uncertain outcomes. If clinical trials of any future therapeutic candidates are prolonged or delayed, we or our current or future collaborators may be unable to obtain required regulatory approvals, and therefore we will be unable to commercialize our future therapeutic candidates on a timely basis or at all, which will adversely affect our business.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful. We may experience delays in initiating or completing our clinical trials. We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize any future therapeutic candidates.

Our clinical trials may fail to demonstrate substantial evidence of the safety and effectiveness of future product candidates that we may identify and pursue, which would prevent, delay or limit the scope of regulatory approval and commercialization.

Before obtaining regulatory approvals for the commercial sale of future therapeutic candidates, we must demonstrate through lengthy, complex and expensive nonclinical studies, preclinical studies and clinical trials that the applicable therapeutic candidate is both safe and effective for use in each target indication. A therapeutic candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Most product candidates that begin clinical trials are never approved by regulatory authorities for commercialization. We have limited experience in designing clinical trials and may be unable to design and execute a clinical trial to support marketing approval.

We cannot be certain that any clinical trials will be successful. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same therapeutic candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants.

Even if any of our future therapeutic candidates obtain regulatory approval, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. Additionally, any such therapeutic candidates, if approved, could be subject to labeling and other restrictions and market withdrawal, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with any of our future therapeutic candidates.

If the FDA or a comparable foreign regulatory authority approves any of our future therapeutic candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the therapy and underlying therapeutic substance will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with current good manufacturing practice ("cGMP") and with good clinical practice ("GCP") for any clinical trials that we conduct post-approval, all of which may result in significant expense and limit our ability to commercialize such therapies. Later discovery of previously unknown problems with any approved therapeutic candidate, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the labeling, distribution, marketing or manufacturing of our future therapeutic candidates, withdrawal of the product from the market, or product recalls;
- untitled and warning letters, or holds on clinical trials;
- refusal by the FDA or other foreign regulatory body to approve pending applications or supplements to approved applications we filed or suspension or revocation of license approvals;
- requirements to conduct post-marketing studies or clinical trials;

- restrictions on coverage by third-party payors;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals:
- product seizure or detention, or refusal to permit the import or export of the product; and
- injunctions or the imposition of civil or criminal penalties.

In addition, any regulatory approvals that we receive for our future therapeutic candidates may also be subject to limitations on the approved indicated uses for which the therapy may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase IV clinical trials, and surveillance to monitor the safety and efficacy of such therapeutic candidates.

If there are changes in the application of legislation, regulations or regulatory policies or if we or one of our distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include imposing fines on us, imposing restrictions on the therapeutic or its manufacture and requiring us to recall or remove the therapeutic from the market. The regulators could also suspend or withdraw our marketing authorizations, requiring us to conduct additional clinical trials, change our therapeutic labeling or submit additional applications for marketing authorization. If any of these events occurs, our ability to sell such therapy may be impaired, and we may incur substantial additional expense to comply with regulatory requirements, which could materially adversely affect our business, financial condition and results of operations.

The results of preclinical studies and early-stage clinical trials of our future therapeutic candidates may not be predictive of the results of later stage clinical trials. Initial success in our ongoing clinical trials may not be indicative of results obtained when these trials are completed or in later stage trials.

Therapeutic candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. Furthermore, there can be no assurance that any of our clinical trials will ultimately be successful or support further clinical development of any of our future therapeutic candidates. There is a high failure rate for drugs proceeding through clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in clinical development even after achieving promising results in earlier studies.

We will depend on enrollment of patients in our clinical trials for our future therapeutic candidates. If we are unable to enroll patients in our clinical trials, our research and development efforts and business, financial condition and results of operations could be materially adversely affected.

Identifying and qualifying patients to participate in our clinical trials will be critical to our success. Patient enrollment depends on many factors, including:

- the size of the patient population required for analysis of the trial's primary endpoints and the process for identifying patients;
- identifying and enrolling eligible patients, including those willing to discontinue use of their existing medications;
- the design of the clinical protocol and the patient eligibility and exclusion criteria for the trial;
- safety profile, to date, of the therapeutic candidate under study;
- the willingness or availability of patients to participate in our trials, including due to the perceived risks and benefits, stigma or other side effects of use of a controlled substance;
- perceived risks and benefits of our approach to treatment of indication;
- the proximity of patients to clinical sites:
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;

- the availability of competing clinical trials;

- the availability of new drugs approved for the indication the clinical trial is investigating;
- clinicians' and patients' perceptions of the potential advantages of the drug being studied in relation to other available therapies, including any new therapies that may be approved for the indications we are investigating; and
- our ability to obtain and maintain patient informed consents.

Even once enrolled, we may be unable to retain a sufficient number of patients to complete any of our trials.

In addition, any negative results we may report in clinical trials may make it difficult or impossible to recruit and retain patients in other clinical trials of that same therapeutic candidate. Delays in the enrollment for any clinical trial will likely increase our costs, slow down the approval process and delay or potentially jeopardize our ability to commence sales of our future therapeutic candidates and generate revenue. In addition, some of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of any future therapeutic candidates.

The future commercial success of our future therapeutic candidates will depend on the degree of market access and acceptance of our potential therapies among healthcare professionals, patients, healthcare payors, health technology assessment bodies and the medical community at large.

We may never have a therapy that is commercially successful. To date, we have no therapy authorized for marketing. Furthermore, if approved, our future therapies may not achieve an adequate level of acceptance by payors, health technology assessment bodies, healthcare professionals, patients and the medical community at large, and we may not become profitable. The level of acceptance we ultimately achieve may be affected by negative public perceptions and historic media coverage of psychedelic substances, including psilocybin. Because of this history, efforts to educate the medical community and third-party payors and health technologies assessment bodies on the benefits of our future therapies may require significant resources and may never be successful, which would prevent us from generating significant revenue or becoming profitable. Market acceptance of our future therapies by healthcare professionals, patients, healthcare payors and health technology assessment bodies will depend on a number of factors, many of which are beyond our control, including, but not limited to, the following:

- acceptance by healthcare professionals, patients and healthcare payors of each therapy as safe, effective and cost-effective;
- changes in the standard of care for the targeted indications for any therapeutic candidate;
- the strength of sales, marketing and distribution support;
- potential product liability claims;
- the therapeutic candidate's relative convenience, ease of use, ease of administration and other perceived advantages over alternative therapies;
- the prevalence and severity of adverse events or publicity;
- limitations, precautions or warnings listed in the summary of therapeutic characteristics, patient information leaflet, package labeling or instructions for use:
- the cost of treatment with our therapy in relation to alternative treatments;
- the ability to manufacture our product in sufficient quantities and yields;
- the availability and amount of coverage and reimbursement from healthcare payors, and the willingness of patients to pay out of pocket in the absence of healthcare payor coverage or adequate reimbursement;
- the willingness of the target patient population to try, and of healthcare professionals to prescribe, the therapy;
- any potential unfavorable publicity, including negative publicity associated with recreational use or abuse of psilocybin;

- the extent to which therapies are approved for inclusion and reimbursed on formularies of hospitals and managed care organizations; and

- whether our therapies are designated under physician treatment guidelines or under reimbursement guidelines as a first-line, second-line, third-line or last-line therapy.

If our future therapeutic candidates fail to gain market access and acceptance, this will have a material adverse impact on our ability to generate revenue to provide a satisfactory, or any, return on our investments. Even if some therapies achieve market access and acceptance, the market may prove not to be large enough to allow us to generate significant revenue.

Changes in methods of therapeutic candidate or commercial product manufacturing or formulation may result in additional costs or delay.

As therapeutic candidates are developed through preclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, may be altered along the way in an effort to optimize processes and results. Any of these changes could cause any of our current products or future therapeutic candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the materials manufactured using altered processes. Such changes may also require additional testing, FDA notification or FDA approval. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of any of our future therapeutic candidates and jeopardize our ability to commence product sales and generate revenue.

We may become exposed to costly and damaging liability claims, either when testing our future therapeutic candidates in the clinic or at the commercial stage, and our product liability insurance may not cover all damages from such claims.

We will be exposed to potential product liability and professional indemnity risks that are inherent in the research, development, manufacturing, marketing and use of therapeutic candidates. Any failure of future therapeutic candidates by us and our corporate collaborators in clinical trials may expose us to liability claims as may the potential sale of any therapies approved in the future. These claims might be made by patients who use our therapies, healthcare providers, pharmaceutical companies, our corporate collaborators or other third parties that research or sell our therapies. Any claims against us, regardless of their merit, could be difficult and costly to defend and could materially adversely affect the market for our future therapeutic candidates or any prospects for commercialization of our future therapeutic candidates. Although the clinical trial process is designed to identify and assess potential side effects, it is always possible that a drug, even after regulatory approval, may exhibit unforeseen side effects. If any of our future therapeutic candidates causes adverse side effects during clinical trials or after regulatory approval, we may be exposed to substantial liabilities.

Physicians and patients may not comply with warnings that identify known potential adverse effects and describe which patients should not use any of our future therapeutic candidates. Regardless of the merits or eventual outcome, liability claims may cause, among other things, the following;

- decreased demand for our therapies due to negative public perception;
- injury to our reputation;
- withdrawal of clinical trial participants or difficulties in recruiting new trial participants;
- initiation of investigations by regulators;
- costs to defend or settle the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients:
- recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue from therapeutic sales; and
- our inability to commercialize any of our future therapeutic candidates, if approved.

In addition we may not be able to obtain or maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy all liabilities that may arise. If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business, financial condition and results of operations could be materially adversely affected. Liability claims resulting from any of the events described above could have a material adverse effect on our business, financial condition and results of operations.

Failure to comply with health and data protection laws and regulations could lead to U.S. federal and state government enforcement actions, including civil or criminal penalties, private litigation, and adverse publicity and could negatively affect our operating results and business.

We and any potential collaborators may be subject to U.S. federal and state data protection laws and regulations, such as laws and regulations that address privacy and data security. In the United States, numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws, govern the collection, use, disclosure, and protection of health-related and other personal information. In addition, we may obtain health information from third parties, including research institutions from which we obtain clinical trial data, which are subject to privacy and security requirements under HIPAA, as amended by HITECH. To the extent that we act as a business associate to a healthcare provider engaging in electronic transactions, we may also be subject to the privacy and security provisions of HIPAA, as amended by HITECH, which restricts the use and disclosure of patient-identifiable health information, mandates the adoption of standards relating to the privacy and security of patient-identifiable health information, and requires the reporting of certain security breaches to healthcare provider customers with respect to such information. Additionally, many states have enacted similar laws that may impose more stringent requirements on entities like ours. Depending on the facts and circumstances, we could be subject to significant civil, criminal, and administrative penalties if we obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

Compliance with U.S. and foreign privacy and data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure to comply with these laws and regulations could result in government enforcement actions (which could include civil, criminal and administrative penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects, employees and other individuals about whom we or our potential collaborators obtain personal information, as well as the providers who share this information with us, may limit our ability to collect, use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

Item 2. Unregistered Sales of Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description	Registrant's Form	Date Filed	Exhibit Number	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of September 12, 2019, by and among Aytu BioScience, Inc., Aytu Acquisition Sub, Inc. and Innovus Pharmaceuticals, Inc.	8-K	9/18/19	2.1	
2.2	Asset Purchase Agreement, dated October 10, 2019	8-K	10/15/19	2.1	
2.3	Agreement and Plan of Merger, dated as of December 10, 2020, by and among Aytu BioScience, Inc., Neutron Acquisition Sub, Inc. and Neos Therapeutics, Inc.	8-K	12/10/2020	2.1	
2.4	Asset Purchase Agreement, dated April 12, 2021				X
3.1	Certificate of Incorporation effective June 3, 2015	8-K	6/09/15	3.1	
3.2	Certificate of Amendment of Certificate of Incorporation effective June 1, 2016	8-K	6/02/16	3.1	
3.3	Certificate of Amendment of Certificate of Incorporation, effective June 30, 2016	8-K	7/01/16	3.1	
3.4	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock, filed on August 11, 2017	8-K	8/16/17	3.1	
3.5	Certificate of Amendment of Certificate of Incorporation, effective August 25, 2017	8-K	8/29/17	3.1	
3.6	Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock filed on March 2, 2018	S-1/A	2/27/18	3.6	
3.7	Certificate of Amendment to the Restated of Certificate of Incorporation, effective August 10, 2018	8-K	8/10/18	3.1	
3.8	Amended and Restated Bylaws	8-K	6/09/15	3.2	
3.9	Certificate of Designation of Preferences, Rights and Limitations of Series E Convertible Preferred Stock	10-Q	2/7/19	10.4	
3.10	Certificate of Designation of Preferences, Rights and Limitations of Series F Convertible Preferred Stock	8-K	10/15/19	3.1	
3.11	Certificate of Designation of Preferences, Rights and Limitations of Series G Convertible Preferred Stock	8-K	11/4/19	3.1	
3.12	Certificate of Amendment to the Restated Certificate of Incorporation, effective December 7, 2020	8-K	12/8/2020	3.1	
3.13	Certificate of Amendment of Certificate of Incorporation of Aytu Bioscience, Inc., effective March 19, 2021.	8-K	3/22/2021	3.1	

4.1	Form of Placement Agent Warrant issued in 2015 Convertible Note Financing	8-K	7/24/15	4.2
4.2	Warrant Agent Agreement, dated May 6, 2016 by and between Aytu BioScience, Inc. and VStock Transfer, LLC	8-K	5/6/16	4.1
4.3	First Amendment to May 6, 2016 Warrant Agent Agreement between Aytu BioScience, Inc. and VStock Transfer LLC	S-1	9/21/16	4.5
4.4	Warrant Agent Agreement, dated November 2, 2016 by and between Aytu BioScience, Inc. and VStock Transfer, LLC	8-K	11/2/16	4.1
4.5	Form of Amended and Restated Underwriters Warrant (May 2016 Financing)	8-K	3/1/17	4.1
4.6	Form of Amended and Restated Underwriters Warrant (October 2016 Financing)	8-K	3/1/17	4.2
4.7	Form of Common Stock Purchase Warrant issued on August 15, 2017	8-K	8/16/17	4.1
4.8	Form of Common Stock Purchase Warrant for March 2018 Offering	S-1	2/27/18	4.8
4.9	Form of Pre-Funded Purchase Warrant	8-K	3/13/20	4.1
4.10	Form of Placement Agents Warrant	8-K	3/13/20	4.2
4.11	Form of Warrant	8-K	3/13/20	4.1
4.12	Form of Placement Agents Warrant	8-K	3/13/20	4.2
4.13	Form of Warrant	8-K	3/20/20	4.1
4.14	Form of Placement Agents Warrants	8-K	3/20/20	4.2
4.15	Form of Wainwright Warrant	8-K	7/2/20	4.1
4.16	Form of Underwriter's Warrant	8-K	12/14/2020	4.1
10.1	Amended Employment Agreement with Joshua R. Disbrow dated July 1, 2020	10-K	10/6/20	10.62
10.2	Amended Employment Agreement with David A. Green dated July 1, 2020	10-K	10/6/20	10.63
\				
10.3	License Agreement with Avrio Genetics, LLC, dated January 20, 2020*	10-Q	2/11/2021	10.1
10.4	Consent, Waiver and Sixth Amendment to Facility Agreement, by and among Aytu BioScience, Inc., Neos Therapeutics, Inc., Neos Therapeutics Brands, LLC, Neos Therapeutics, LP, Neos Therapeutics Commercial, LLC, PharmaFab Texas, LLC, Deerfield Private Design Fund III L.P., Deerfield Partners, L.P. and Deerfield Mgmt, L.P., dated March 19, 2021.	8-K	3/22/2021	10.1

10.5	Consent, Waiver and Amendment No. 1 to Loan and Security Agreement, by and among Aytu BioScience, Inc., Neos Therapeutics, Inc., Neos Therapeutics Brands, LLC, Neos Therapeutics, LP, Neos Therapeutics Commercial, LLC, PharmaFab Texas, and Encina Business Credit, LLC, dated March 19, 2021.	8-K	3/22/2021	10.2	
10.6	Employment Agreement between Aytu BioPharma, Inc. and Richard Eisenstadt, dated March 31, 2021.	8-K	4/5/2021	10.1	
10.7	Indemnification Agreement between Aytu BioPharma, Inc. and Gerald McLaughlin, dated March 19, 2021.				X
10.8	Indemnification Agreement between Aytu BioPharma, Inc. and Beth P. Hecht, dated March 19, 2021.				X
10.9	Termination and Transition Agreement between Aytu BioPharma, Inc. and Acerus Pharmaceuticals Corporation, dated March 31, 2021.				X
10.10	Separation Agreement between Aytu BioPharma, Inc. and David A. Green, dated March 31, 2021.				X
10.11	Second Amendment to Employment Agreement with Joshua R. Disbrow dated April 7, 2021.				X
10.12	Employment Agreement between Aytu BioPharma, Inc. and Nathaniel Massari, dated April 12, 2021.				X
10.13	Employment Agreement between Aytu BioPharma, Inc. and Christopher Brooke, dated April 12, 2021.				X
10.14	Option and Exclusive License Agreement between Rumpus VEDS, LLC and Denovo Biopharma LLC, dated December 21, 2019				X
10.15	Exclusive License Agreement between Rumpus VEDS, LLC and Johns Hopkins University, dated December 20, 2019.				X
31.1	Certificate of the Chief Executive Officer of Aytu BioPharma, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certificate of the Chief Executive Officer and the Chief Financial Officer of Aytu BioPharma, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.1	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*.				X
101	XBRL (extensible Business Reporting Language). The following materials from Aytu BioScience, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 formatted in XBRL: (i) the Consolidated Balance Sheet, (ii) the Consolidated Statement of Operations, (iii) the Consolidated Statement of Stockholders' Equity (Deficit), (iv) the Consolidated Statement of Cash Flows, and (v) the Consolidated Notes to the Financial Statements.				X

† Indicates is a management contract or compensatory plan or arrangement.

* Information in this exhibit identified by brackets is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is not material and would likely cause competitive harm to the Company if publicly disclosed. An unredacted copy of this exhibit will be furnished to the Securities and Exchange Commission on a supplemental basis upon request.

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.

AYTU BIOPHARMA, INC.

Date: May 17, 2021

By: /s/ Joshua R. Disbrow
Joshua R. Disbrow
Chief Executive Officer

Exhibit 2.4

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

Dated as of April 12, 2021

among

AYTU BIOPHARMA, INC.,

RUMPUS VEDS LLC,

RUMPUS THERAPEUTICS LLC,

RUMPUS VASCULAR LLC,

and solely with respect to certain provisions, CHRISTOPHER BROOKE and

NATHANIEL MASSARI

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") dated as of April 12, 2021 is entered into by and among Aytu BioPharma, Inc., a Delaware corporation ("Buyer"), Rumpus VEDS LLC, a Delaware limited liability company ("Rumpus VEDS"), Rumpus Therapeutics LLC, a Delaware limited liability company ("Rumpus Therapeutics"), Rumpus Vascular LLC, a Delaware limited liability company ("Rumpus Vascular," and together with Rumpus VEDS and Rumpus Therapeutics, the "Sellers," and together with Buyer and Sellers, the "Parties"), and solely with respect to Sections 2.2(e)(iv) and 5.1, Christopher Brooke ("Brooke") and Nathaniel Massari ("Massari").

Certain capitalized terms used herein have the meanings ascribed to them in Section 1.1.

RECITALS

WHEREAS, Sellers own certain rights and other assets relating to the Product and to Sellers' business of developing pharmaceutical products (the "Business");

WHEREAS, Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, on the terms and subject to the conditions set forth in this Agreement, all of the rights and other assets relating to the Business; and

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement, and of the representations, warranties, conditions, agreements and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I.

DEFINITIONS; INTERPRETATION

Section 1.1. Definitions. For purposes of this Agreement, the following terms shall have the corresponding meanings set forth below:

"Acquisition" has the meaning set forth in Section 2.1(a).

"Action" means any claim, action, suit, arbitration, audit, proceeding, or formal investigation, in each case by or before a Governmental Authority.

"Affiliate" of any Person means another Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, such first Person.

"Agreement" has the meaning set forth in the preamble hereof.

"Apportioned Obligations" has the meaning set forth in Section 5.2(b).

"Assignment and Assumption Agreement" has the meaning set forth in Section 2.5(b)(i)(C).

"Assumed Contracts" has the meaning set forth in Section 2.3(a)(i).

"Assumed Liabilities" means (a) all Liabilities primarily arising out of or related to the Assumed Contracts and Purchased Assets following the Closing; (b) all Liabilities primarily arising out of or related to the operation of the Business by Buyer following the Closing; and (c) all unpaid expenses incurred by Sellers to the extent relating to or arising out of the Intellectual Property Rights conveyed in the Johns Hopkins License Agreement on or prior to the Closing and that are set forth on Schedule 1.1(a) hereto.

"Aytu Common Stock" means Buyer's common stock, par value $.0001 per share.

"Aytu Material Adverse Effect" means any event, occurrence, fact, condition, or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to: (a) the business, results of operations, condition (financial or otherwise), or assets of Buyer and its Subsidiaries, taken as a whole; or (b) the ability of Buyer to consummate the transactions contemplated hereby on a timely basis; provided, however, that, for the purposes of clause (a), an Aytu Material Adverse Effect shall not be deemed to include events, occurrences, facts, conditions or changes arising out of, relating to, or resulting from: (i) changes generally affecting the economy, financial, or securities markets; (ii) the announcement of the transactions contemplated by this Agreement; (iii) any outbreak or escalation of war or any act of terrorism; or (iv) general conditions in the industry in which Buyer and its Subsidiaries operate; provided further, however, that any event, change, and effect referred to in clauses (i), (iii), or (iv) immediately above shall be taken into account in determining whether an Aytu Material Adverse Effect has occurred or would reasonably be expected to occur to the extent that such event, change, or effect has a disproportionate effect on Buyer and its Subsidiaries, taken as a whole, compared to other participants in the industries in which Buyer and its Subsidiaries conduct their businesses.

"Aytu SEC Documents" has the meaning set forth in Section 4.6(a).

"Base Period" has the meaning set forth in Section 2.2(b).

"Bill of Sale" has the meaning set forth in Section 2.5(b)(i)(C).

"Books and Records" means all books, records, files and documents related to the Business or the Product or other Purchased Asset (including sales, pricing, promotional, research and development, data (including Data), customer and supplier lists, marketing studies, consultant reports, physician databases and correspondence (excluding invoices), complaint files and adverse drug experience files, correspondence with Governmental Authorities, manufacturing files, registrations and commercial files and materials (including packaging and graphics files) and, to the extent not originals, true and complete copies of all files primarily relating to the filing, prosecution, issuance, maintenance, enforcement or defense of any Business Intellectual Property, including written Third Party correspondence, records and documents related to research and non- clinical and clinical testing and studies for the Product conducted by or on behalf of Sellers, including laboratory and engineering notebooks, procedures, tests, dosage, criteria for patient selection, safety and efficacy and study protocols, investigators brochures and all vigilance and other safety records) in all forms, including electronic, in which they are stored or maintained, and all data and information included or referenced therein, in each case that are licensed, owned or controlled by or otherwise in the possession of Sellers in respect of the Product. Books and Records shall include the documents delivered to or received by the FDA that are described on Schedule 2.3(a)(iii) (the "Regulatory Documents").

"Brooke" has the meaning set forth in the Preamble.

"Business" has the meaning set forth in the recitals hereof.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in New York City are permitted or required by applicable Law to remain closed.

"Business Intellectual Property" means all Intellectual Property Rights Controlled by Sellers that (i) relate to the Business, the Product, or (ii) were acquired, generated, conceived, reduced to practice, or otherwise made or used by or for Sellers in connection with Exploiting the Product or otherwise in connection with the Business, and the rights to sue and recover for past infringement or misappropriation of any of the foregoing.

"Business Patents" means the patents, authorizations and other items set forth on Schedule 1.1(b).

"Buy-Back Negotiation" has the meaning set forth in Section 2.2(f)(i).

"Buyer" has the meaning set forth in the preamble hereof.

"Buyer Indemnified Party" has the meaning set forth in Section 6.1(a).

"Buyer's Knowledge" (and similar phrases) means, with respect to any matter in question, the actual knowledge of the following individual: Joshua Disbrow.

"Cap" has the meaning set forth in Section 6.3(c).

"Change of Control" has the meaning set forth in Section 7.6.

"Clinical Trial" means the clinical trial conducted based on the Study Protocol.

"Closing" has the meaning set forth in Section 2.5(a).

"Closing Consideration" has the meaning set forth in Section 2.1(b)(i).

"Closing Date" has the meaning set forth in Section 2.5(a).

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Competing Product" has the meaning set forth in Section 5.1(b)(i).

"Confidential Information" has the meaning set forth in Section 5.1(a)(i).

"Contemplated Transactions" means the transactions contemplated by this Agreement and any Related Document.

"Contracts" means any legally binding loan or credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement, distribution agreement or other legally binding contract, agreement, obligation, commitment, arrangement, understanding, instrument, permit, franchise or license, whether written or oral.

"Control" including its various tenses and derivatives (such as "controlled" and "controlling") means (a) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by Contract or otherwise, (b) when used with respect to any security, the possession, directly or indirectly, of the power to vote, or to direct the voting of, such security or the power to dispose of, or to direct the disposition of, such security and (c) when used with respect to any Intellectual Property Rights, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to enforce such Intellectual Property Rights against infringers, or to assign such Intellectual Property Rights or grant a license, sublicense or other right to or under such Intellectual Property Rights, or to compel another to do so.

"Convertible Promissory Note" means the convertible promissory note, dated February 3, 2020, by and between Rumpus VEDS and Rumpus Vascular.

"Data" means all databases and data, including all compilations thereof, and all rights therein, including any and all scientific, technical and test data, including research data, clinical pharmacology data, chemistry, manufacturing and controls data (including analytical and quality control data and stability data), pre-clinical data, clinical data or any data included in any submissions made in association with an IND or Marketing Approval Controlled by Sellers that (a) pertain to the Product, or (b) were collected, compiled, generated or used in connection with the Business, or (c) otherwise are related to the Business.

"Data Room" has the meaning set forth in Section 1.2.

"Denovo" means Denovo Biopharma, LLC.

"Denovo Option Agreement" means the Option Agreement, dated December 21, 2019, by and between Rumpus VEDS and Denovo, as amended pursuant to the First Amendment to Option Agreement dated December 17, 2020, including the Exclusive License Agreement, by and between Rumpus VEDS and Denovo, as amended (the "Denovo License").

"Disclosure Letter" means the disclosure letter delivered to Buyer by Sellers simultaneously with the execution of this Agreement; all references to Schedules shall refer to Schedules to the Disclosure Letter.

"Disqualification Event" has the meaning set forth in Section 4.10.

"Dollars" or "$" means United States dollars.

"Earn-Out Expiration Date" has the meaning set forth in Section 2.2(b).

"Earn-Out Payment" has the meaning set forth in Section 2.2.

"Earn-Out Milestone" has the meaning set forth in Section 2.2(a).

"Earn-Out Notice" has the meaning set forth in Section 2.2(d).

"Earn-Out Shares" has the meaning set forth in Section 2.2(e)(i).

"Employment Agreements" has the meaning set forth Section 2.5(b)(i)(F).

"Environmental Laws" means any applicable Law, and any Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or *(b)* concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Substance. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 *et seq.*; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 *et seq.*; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 *et seq.*; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 *et seq.*; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 *et seq.*; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 *et seq.*

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Account" has the meaning set forth in Section 6.5.

"EU5 Countries" means, collectively, France, Germany, Italy, Spain and the United Kingdom.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Assets" has the meaning set forth in Section 2.3(b).

"Excluded Contracts" means all Contracts to which any Seller is a party other than the Assumed Contracts.

"Excluded Liabilities" has the meaning set forth in Section 2.4(b).

"Exploit" means to make, import, use, sell, offer for sale, otherwise dispose of, research, develop, register, modify, enhance, improve, manufacture, store, formulate, optimize, export, transport, distribute, commercialize, promote, or market, or to have any of the foregoing done.

"Exploitation" means the act of Exploiting.

"FCPA" has the meaning set forth in Section 3.17(a).

"FDA" has the meaning set forth in Section 3.10(c).

"First Commercial Sale" means, with respect to the Product in a country, the first sale of such Product to a Third Party for monetary value for end use or consumption in such country after receipt of Regulatory Approval for the Product in such country, but not including transfers or dispositions of the Product for charitable, promotional, pre-clinical, clinical, regulatory or governmental purposes.

"First Indemnity Expiration Date" has the meaning set forth in Section 6.3(d).

"Future Earn-Out Payments" has the meaning set forth in Section 6.1(c).

"GAAP" means the United States generally accepted accounting principles in effect at the time relevant to the context in which such term is used herein.

"General Representation" means any representation or warranty that is not a Fundamental Representation.

"Governmental Authority" means any Federal, state, local, municipal, provincial or foreign government, any court, tribunal, administrative, regulatory or other governmental agency, department, commission or authority or any non-governmental self-regulatory agency, commission or authority.

"Hazardous Substance" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral, or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, and polychlorinated biphenyls.

"IND" means an Investigational New Drug Application that is in effect pursuant to 21 C.F.R. § 312.40(b) and any supplements or modifications thereto.

"Indemnified Party" has the meaning set forth in Section 6.4(a).

"Indemnifying Party" has the meaning set forth in Section 6.4(a).

"Independent Accountants" has the meaning set forth in Section 2.7(a).

"Independent Reviewer" means a person or firm mutually agreed between Buyer and Sellers, and for purposes of Section 2.2(d)(ii), shall mean an independent accounting firm mutually agreed between Buyer and Sellers. If Buyer and Sellers cannot agree on the identity of a person or firm within seven days, or if any such person or firm declines to be engaged on the agreed terms, then the Independent Reviewer shall be an arbitrator appointed by the American Arbitration Association through its "Arbitrator Select" service, the costs of which service shall be split between the Buyer and Sellers equally.

"Indication" means Vascular Ehlers-Danlos Syndrome or any other indication disclosed in the Business Patents.

"Intellectual Property Rights" means any (a) inventions, patents, patent applications (including in each case any continuation, continuation-in-part, divisional, renewal, patent term extension (including any supplemental protection certificate), reexamination or reissue thereof), utility models, and other rights in inventions; (b) registered and unregistered trademarks, trade dress, trade names, logos, design rights, service marks, together with the goodwill pertaining to the foregoing, and all applications, registrations and renewals therefor; (c) registered and unregistered copyrights, works of authorship, copyrightable works (published or unpublished) and all applications, registrations and renewals therefor, with moral rights of attribution pertaining to the foregoing; (d) domain names; (e) software, computer programs and applications (whether in source code, object code or other form), and algorithms, databases, documentation and technology supporting the foregoing; (f) trade secrets, know-how (including all ideas, concepts, research and development, composition information and embodiments, formulations, manufacturing and production processes, techniques and information, specifications, technical and business data, Data, designs, drawings, suppliers lists, pricing and cost information, and data and know-how embodied in business and marketing plans and proposals); (g) other proprietary information and other proprietary intellectual property rights in any jurisdiction in the world; and (h) all copies and tangible embodiments of the foregoing in whatever form or medium.

"IRS" means the United States Internal Revenue Service.

"Issuer Covered Person" has the meaning set forth in Section 4.10.

"Issuance Threshold" has the meaning set forth in Section 2.2(e)(ii).

"Johns Hopkins License Agreement" means the Exclusive License Agreement by and between Johns Hopkins University and Rumpus VEDS, dated December 20, 2019.

"Labeling" has the meaning set forth in Section 201(m) of the FDCA and other comparable foreign Law relating to the subject matter thereof, including a Product label, packaging and instructions for use accompanying a Product, and any other written, printed, or graphic materials accompanying a Product, including patient instructions or patient indication guides.

"Law" means any federal, state, local or foreign constitution, treaty, law, statute, ordinance, rule, regulation, interpretation, guidance document, directive, policy, award, Order and any other ruling or decision of any applicable Governmental Authority, including without limitation the FDCA and any regulations promulgated thereunder, as amended from time to time.

"Liability or Liabilities" means liabilities, obligations and commitments, whether accrued or fixed, absolute or contingent, known or unknown, determined or determinable, due or to become due, or otherwise.

"Lien" means any lien (statutory or otherwise), security interest, pledge, hypothecation, mortgage, assessment, lease, claim, levy, license, defect in title, charge, or any other Third Party right, license or property interest of any kind, or any conditional sale or other title retention agreement, right of first option, right of first refusal or similar restriction, any covenant not to sue, or any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership or any agreement to give any of the foregoing in the future or similar encumbrance of any kind or nature whatsoever.

"Losses" has the meaning set forth in Section 6.1.

"Marketing Approval" means, with respect to the Product in a country or jurisdiction, any and all approvals, registrations, licenses or authorizations of the applicable Regulatory Authorities necessary for the marketing and sale of the Product for a particular indication in such country or jurisdiction, including, where applicable, approval of Labeling for such indication.

"Maximum Earn-Out Payment" has the meaning set forth in Section 2.2(a).

"Massari" has the meaning set forth in the Preamble.

"Measurement Date" has the meaning set forth is Section 3.3(c).

"Nasdaq" means the Nasdaq Capital Market.

"NDA" means a New Drug Application pursuant to 21 U.S.C. §355 et seq., and the regulations promulgated thereunder, as such application may be amended or supplemented from time to time, for Marketing Approval of a Product filed with the relevant Regulatory Authority to obtain Marketing Approval for a pharmaceutical, biological, diagnostic product, or medical device.

"Net Sales" means the gross amount invoiced for sales of the Product by Buyer or its Affiliates or sublicensees to Third Parties, less the following deductions from such gross amounts to the extent attributable to such Product:

(a) trade, cash and quantity discounts;

(b) price reductions or rebates (including in connection with copay assistance programs, savings offers or discount cards), retroactive or otherwise, or charge backs paid to Governmental Authorities, group purchasing organizations, Third Party payors (including managed health care organizations), or trade customers;

(c) amounts repaid or credited by reason of rejections, defects, return goods allowance, recalls, returns or billing errors;

(d) amounts repaid or credited or provisions made for uncollectible amounts on previously sold Product;

(e) reasonable and customary freight, shipping insurance and other transportation charges directly related to the sale of the Product;

(f) fees for any services provided by wholesalers and warehousing chains related to the distribution of such Product;

(g) to the extent not covered above, administrative fees paid to group purchasing organizations or pharmaceutical benefit managers; and

(h) sales, value-added and excise Taxes, tariffs and duties, and other Taxes and government charges directly related to the sale of Product other than franchise or income Taxes of any kind whatsoever.

All as determined in accordance with GAAP on a basis consistent with Buyer's annual audited financial statements. For purposes of calculating Net Sales, a Product will be deemed to be sold when invoiced or delivered. For the avoidance of doubt, a license of the Product for resale, including any payments pursuant to any such license, shall not be deemed a sale of the Product for purposes of calculating Net Sales.

All aforementioned deductions shall be determined, on a country-by-country basis, as incurred in the ordinary course of business in type and amount consistent with the Buyer's, the Affiliate's or sublicensee's (as the case may be) business practices and accounting standards. Net Sales includes the cash consideration received on a sale and the fair market value of all non-cash consideration.

The transfer or sale of Product between or among Buyer, Sellers and their respective Affiliates will not be considered a sale. Upon the sale or other disposal of Product, such sale, disposal or use will be deemed to constitute a sale with the consideration for the sale being the consideration for the relevant transaction and constituting Net Sales hereunder. A sale shall not include transfers or dispositions provided for patient assistance programs, charitable, compassionate use, promotional, pre-clinical, clinical, regulatory or government testing purposes.

"Objection Notice" has the meaning set forth in Section 2.2(d)(ii).

"Objection Period" has the meaning set forth in Section 2.2(d)(ii).

"Option" means the rights granted by Denovo to Rumpus VEDS pursuant to Section 2.1 of the Denovo Option Agreement.

"Option Exercise" means Buyer's delivery of a written notice to Denovo indicating its exercise of the Option, as assignee of the Denovo Option Agreement.

"Order" means any writ, judgment, decree, injunction or similar order, including consent orders, of any Governmental Authority (in each such case whether preliminaryor final).

"Ordinary Course of Business" means the ordinary course of business of the Business consistent with Sellers' past practices of operating the Business.

"Other Taxes" has the meaning set forth in Section 5.2(b).

"Party" or "Parties" has the meaning set forth in the preamble hereof.

"Permitted Liens" means, (i) statutory liens for Taxes, assessments and governmental charges not yet due and payable or that are being contested in good faith by appropriate proceedings and, if required under GAAP, for which appropriate reserves have been created; (ii) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, material men and other Liens imposed by law arising or incurred in the ordinary course of business for amounts that are not yet due and payable and, if required under GAAP, for which appropriate reserves have been created or that are being contested in good faith by appropriate proceedings and that are not resulting from any breach, violation or default by Sellers of any Contract or applicable Law; (iii) any liens pursuant to the terms of the Johns Hopkins License Agreement or the Denovo License, or (iv) other Liens that do not materially impair the usage, disposition, pledging or operation of the respective asset.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity or any Governmental Authority.

"Post-Closing Tax Period" means (i) any Tax period beginning on or after the Closing Date, and (ii) with respect to any Straddle Period, the portion of such period beginning on the Closing Date.

"Pre-Closing Tax Period" means (i) any Tax period ending before the Closing Date, and (ii) with respect to any Straddle Period, the portion of such period up to and including the end of the day immediately before the Closing Date.

"Price Per Share" shall be calculated as the greater of (i) the average of the volume weighted average price, or VWAP, of Aytu Common Stock on Nasdaq for the 10-day period ending one Business Day prior to the issuance of the applicable shares of Aytu Common Stock, and (ii) the price on Nasdaq as of the close of trading on the date of the issuance of the applicable shares of Aytu Common Stock.

"Pricing Approval" means, with respect to a Product in a country or jurisdiction, the approval, agreement, determination or governmental decision establishing the price that can be charged or level of reimbursement for such Product, if required in the relevant country or jurisdiction before any sale of such Product may occur in such country or jurisdiction.

"Product" means Enzastaurin, or any other product whose use, manufacture, import, sale or offer for sale is covered by the Business Patents.

"Public Official" has the meaning set forth in Section 3.17(c).

"Purchase Price" has the meaning set forth in Section 2.1(b)(ii).

"Purchase Price Allocation" has the meaning set forth in Section 2.7(a).

"Purchased Assets" has the meaning set forth in Section 2.3(a).

"Regulatory Approval" means, with respect to the Product in a country or jurisdiction, (a) Marketing Approval, and, only if applicable, (b) all Pricing Approvals with respect to the Product in such country or jurisdiction where Governmental Authority requires establishing a price of regulated pharmaceuticals prior to sale of such pharmaceuticals. For the avoidance of doubt, and without limiting the generality of the foregoing, Regulatory Approval in the United States does not currently require Pricing Approval.

"Regulatory Authority" means, in a particular country or jurisdiction, any applicable Governmental Authority with responsibility for granting Marketing Approvals or any other licenses or approvals, in such country or jurisdiction necessary for the marketing and sale of a Product in any jurisdiction, or that is concerned with the research, development, marketing, sale, use, handling and control, safety, efficacy, reliability or manufacturing of drug or biological products or medical devices.

"Regulatory Authorizations" means (a) all licenses, permits, certificates, clearances, exemptions, approvals, consents and other authorizations, including those prepared for submission to or issued by any Regulatory Authority or research ethics committee (including pre-market notification clearances, pre-market approvals, investigational device exemptions, non-clinical and clinical study authorizations, product re-certifications, manufacturing approvals and authorizations, CE Mark certifications, pricing and reimbursement approvals, Labeling approvals, registration notifications or their foreign equivalent), that are required for the Product or Purchased Assets or the Exploitation thereof; and (b) all applications, supporting files, drug master files, adverse event data, writings, data, studies and reports, and all correspondence to, with, or from the FDA or any other Regulatory Authority or research ethics committee, relating to any license, permit, certificate, clearance, exemption, approval, consent or other authorization described in clause (a).

"Related Documents" means, other than this Agreement, all other agreements, certificates and documents signed and delivered by any Party in connection with this Agreement or the transactions contemplated hereby.

"Representatives" means, with respect to any Person, such Person's directors, officers, managers, employees, counsel, consultants, accountants, advisors, and other agents and representatives (in each case, acting in such Person's capacity as such).

"Required Consents" has the meaning set forth in Section 5.8.

"Restricted Period" has the meaning set forth in Section 5.1(b)(i).

"ROFR" has the meaning set forth in Section 2.2(f)(iii).

"ROFR Notice" has the meaning set forth in Section 2.2(f)(iii).

"ROFR Period" has the meaning set forth in Section 2.2(f)(iii).

"Rumpus Therapeutics" has the meaning set forth in the Preamble.

"Rumpus Vascular" has the meaning set forth in the Preamble.

"Rumpus VEDS" has the meaning set forth in the Preamble.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" has the meaning set forth in Section 2.2(e)(iii).

"Sellers" has the meaning set forth in the preamble hereof.

"Sellers Indemnified Party" has the meaning set forth in Section 6.2.

"Sellers Material Adverse Effect" means any change, effect, event, occurrence or fact that, individually or in the aggregate, would reasonably be expected to result in, or has resulted in, a materially adverse change or effect to (a) the assets, liabilities or condition of the Business or the Purchased Assets or the conduct, nature or viability of the Business, taken as a whole, or (b) Sellers' ability to consummate the Contemplated Transactions; provided, however, that, for purposes of clause (a), none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Seller Material Adverse Effect: (i) any change, effect, event, occurrence, state of facts or development relating to the economy in general in the United States or in any other jurisdiction in which a Seller has operations or conducts business, or conditions generally affecting the industries in which a Seller operates the Business, so long as the effects do not have a materially disproportionate adverse effect on the Purchased Assets or Business, taken as a whole, (ii) any change, effect, event, occurrence, state of facts or development reasonably attributable to conditions affecting the pharmaceutical industry (other than as may arise or result from regulatory action by a Regulatory Authority), so long as the effects do not have a materially disproportionate adverse effect on the Purchased Assets or Business, taken as a whole, (iii) the announcement, pendency or completion of the Contemplated Transactions, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with Sellers and the Business, (iv) earthquakes, hurricanes, tornadoes, natural disasters or global, national or regional political conditions, including hostilities, military actions, political instability, acts of terrorism or war or any escalation or material worsening of any such hostilities, military actions, political instability, acts of terrorism or war existing or underway as of the date hereof (other than any of the foregoing that causes any material damage or destruction to or renders unusable any material Purchased Assets and so long as the effects do not have a materially disproportionate adverse effect on the Purchased Assets, taken as a whole), (v) any effect that results from any action taken at the express prior written request of Buyer or with Buyer's prior written consent, (vi) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures may nevertheless constitute a Sellers Material Adverse Effect, subject to the other provisions of this definition) or (vii) changes in Law or GAAP or any interpretation thereof (so long as the effects do not have a materially disproportionate effect and adversely impact the Purchased Assets or Business, taken as a whole and it being understood that this clause (vii) shall not apply with respect to any representation or warranty contained in this Agreement the purpose of which is to address compliance with Law or GAAP or any interpretation thereof).

"Seller's Organizational Documents" has the meaning set forth in Section 3.1.

"Sellers' Knowledge" (and similar phrases) means, with respect to any matter in question, the actual knowledge of the following individuals: Christopher Brooke and Nate Massari.

"Shelf Registration Statement" has the meaning set forth in Section 2.2(e)(iii).

"Straddle Period" means any taxable period beginning before and ending on or after the Closing Date.

"Study Protocol" means the study protocol for the treatment of Vascular Ehlers-Danlos Syndrome with Enzastaurin, as approved by Buyer.

"Subsidiary" of any Person means another Person, an amount of the voting securities, other voting rights or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first Person.

"Tax" or "Taxes" means (whether disputed or not) any and all Federal, state, local and foreign income, property, sales, use, value added, ad valorem, excise, withholding, payroll, employment, social security, capital gain, alternative minimum, transfer, franchise and other taxes and similar governmental charges, in each case in the nature of a tax, including any interest, penalties and additions with respect thereto.

"Tax Clearance Certificate" has the meaning set forth in Section 5.2(g).

"Tax Return" or "Tax Returns" means any and all returns (including amended returns), requests for extensions of time, claims for refund, declarations of estimated Tax payments, reports, estimates, information returns and statements, including any related or supporting information with respect to the foregoing, filed or required to be filed with any Taxing Authority in connection with the determination, assessment, collection or administration of any Taxes.

"Taxing Authority" means any Federal, state, local or foreign government, any subdivision, agency, commission or authority thereof, or any quasi-governmental body, in each case exercising regulatory authority with respect to Taxes.

"Third Party" means any Person other than: (a) a Seller or Buyer or (b) any Affiliates of a Seller or Buyer.

"Third Party Claim" has the meaning set forth in Section 6.4(a).

"Trading Market" means any of the following markets or exchanges on which Aytu Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or OTCQX (or any successors to any of the foregoing).

"Transfer Taxes" has the meaning set forth in Section 5.2(a).

"Treasury Regulations" means the final and temporary Regulations promulgated under the Code by the United States Department of the Treasury.

"Trigger Event" has the meaning set forth in Section 2.2(f)(i).

"Trigger Event Notice" has the meaning set forth in Section 2.2(f)(ii).

Section 1.2. Interpretation. When a reference is made in this Agreement to an Article, a Section or an Exhibit, such reference shall be to an Article of, a Section of, or an Exhibit to, this Agreement unless otherwise indicated. When a reference is made in this Agreement to a Schedule, such reference shall be to a Schedule of the Disclosure Letter. The table of contents and headings contained in this Agreement, any Related Document or in any Exhibit or Schedule to the Disclosure Letter hereto are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, such Related Document or such Exhibit or Schedule to the Disclosure Letter. Whenever the words "include", "includes" or "including" are used in this Agreement or any Related Document, they shall be deemed to be followed by the words "without limitation". The word "or," when used in this Agreement, has the inclusive meaning represented by the phrase "and/or." The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to the "date hereof" refer to the date of this Agreement. "Extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if". For purposes of this Agreement and the Related Documents, the phrases "delivered or made available to Buyer prior to the date hereof", "delivered or made available to Buyer in the data room prior to the date hereof", "has made available to Buyer prior to the date hereof" or "has made available to Buyer in the data room prior to the date hereof" and similar expressions in respect of any document or information will be construed for all purposes of this Agreement and the Related Documents as meaning that a copy of such document or information was filed and made available for viewing by Buyer in the electronic data rooms hosted by Sellers' Dropbox site (the "Data Room") in each case no later than three Business Days prior to the date hereof (or, if after such third Business Day, then delivered directly to Buyer and its legal counsel). All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any Contract or statute defined or referred to herein or in any Contract that is referred to herein means (a) in the case of any statute, such statute and any comparable statute that from time to time replaces such statute by succession and (b) in the case of any Contract, such Contract and all amendments, modifications and attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Any reference contained in this Agreement to specific governmental regulatory provisions or to any specific Governmental Authority shall include any successor regulation or regulatory provisions, or successor Governmental Authority, as the case may be.

ARTICLE II.

PURCHASE AND SALE

Section 2.1. Purchase and Sale of Purchased Assets; Purchase Price.

(a) Pursuant to the terms and subject to the conditions of this Agreement, at the Closing, Sellers shall sell, convey, deliver, transfer and assign to Buyer (or its designated Affiliate), free and clear of all Liens, other than Permitted Liens, and Buyer (or its designated Affiliate) shall purchase, take delivery of and acquire from Sellers all of Sellers' right, title and interest in, to and under all of the Purchased Assets. The purchase and sale of the Purchased Assets hereunder is referred to herein as the "Acquisition."

(b) In consideration of the sale, conveyance, delivery, transfer and assignment of the Purchased Assets to Buyer and Sellers' other covenants and obligations hereunder, upon the terms and subject to the conditions hereof:

(i) at the Closing, Buyer shall pay to Sellers (or their designees, as provided in writing), by wire transfer of immediately available funds to the account set forth on Schedule 2.1(b)(i), an amount equal to $1,500,000 (the "Closing Consideration"); and

(ii) if and when they become payable pursuant to Section 2.2, Buyer shall pay to Sellers or their assignee(s) and, if applicable and subject to the terms of Section 6.5, into the Escrow Account, any Earn-Out Payment(s) (as defined below, and, together with the Closing Consideration, the "Purchase Price").

Section 2.2. Earn-Out.

(a) Earn-Out Payments. Upon achievement of any of the events set forth in Schedule 2.2(a) by Buyer, its Affiliates or sublicensees (each, an "Earn-Out Milestone"), Buyer shall pay to Sellers or their assignee(s), and, if applicable and subject to the terms of Section 6.5, into the Escrow Account, the amount set forth opposite such Earn-Out Milestone (each, an "Earn-Out Payment"). When earned, Earn-Out Payments are cumulative, but for the avoidance of doubt, in no event shall the aggregate Earn-Out Payments exceed $67,500,000 (the "Maximum Earn-Out Payment"). Each of the Earn-Out Payments set forth in Schedule 2.2(a) shall be payable only one time and, for the avoidance of doubt, no amounts shall be due for subsequent or repeated achievements of an Earn-Out Milestone, whether for the same or a different Product or Indication.

(b) Notwithstanding anything in this Agreement to the contrary, the potential to meet Earn-Out Milestones and receive Earn-Out Payments shall expire upon the latest of: (i) expiration of market exclusivity relating to Orphan Drug Designation in the United States (or Orphan Drug Designation-equivalent in an EU5 country or Japan if designation has been granted in any of those markets); (ii) expiration or invalidation of the last-to-expire Business Patent; and (iii) erosion of Net Sales such that, for any twelve (12)-month period (the "Base Period"), the Net Sales for Base Period is ninety percent (90%) lower than the amount that is one-third (1/3) of the Net Sales for the 36-month period that ends on the last month preceding the beginning of the Base Period (such expiration date, the "Earn-Out Expiration Date"). For the avoidance of doubt, no Party shall have any further rights to any Earn-Out Payment that was not earned by the Earn-Out Expiration Date.

(c) Buyer shall use commercially reasonable efforts to achieve each Earn-Out Milestone. For purposes of this Section 2.2(c), the term "commercially reasonable efforts" means, with respect to Buyer's efforts to achieve the Earn-Out Milestones, the level of efforts consistent with the efforts and resources a pharmaceutical company of similar size and situation in the exercise of its reasonable business judgment typically devotes to its own product candidates of similar market potential, at a similar stage in development or product lifecycle, and taking into account the obligations set forth in the Johns Hopkins License Agreement and Denovo License; provided, however, nothing in this Agreement shall be construed to require the Buyer to pursue the Business in priority to any of Buyer's other programs and product candidates. Further, Buyer's obligation to make Earn-Out Payments under this Section 2.2 shall terminate immediately upon (A) termination, for any reason, of the Denovo License Agreement or the Johns Hopkins License Agreement, if such termination makes achievement of the Earn-Out Milestones impracticable; or (B) Buyer's determination that the Clinical Trial has failed; provided, that, Buyer's failure determination is made in good faith after engaging an independent Data Monitoring Committee or Data and Safety Monitoring Board to assess futility.

(d) Earn-Out Notice; Independent Reviewer.

(i) When the Buyer, in its reasonable discretion, determines that a particular Earn-Out Milestone has been achieved, the Buyer shall provide written notice of the occurrence of such Earn-Out Milestone (an "Earn-Out Notice") as soon as practicable. If Sellers believe an Earn-Out Milestone has been reached without an Earn-Out Notice being issued by Buyer within a reasonable timeframe, it may notify Buyer of the same in writing. If Buyer fails to issue an Earn-Out Notice within three (3) days of such communication from Sellers, Sellers may initiate a review by the Independent Reviewer, whose costs shall be shared by Buyer and Sellers and whose determination as to the question of whether an Earn-Out Notice should be delivered with respect to any particular Earn-Out Milestone shall be final. Buyer shall pay any Earn-Out Payment within thirty (30) calendar days of the date of delivery to Sellers of the Earn-Out Notice related to such Earn-Out Milestone and Earn-Out Payment.

(ii) If Sellers do not notify Buyer of a dispute with respect to the calculations contained within the applicable Earn-Out Notice delivered with respect to any Earn-Out Milestone based on Net Sales within thirty (30) days of Sellers' receipt of such Earn-Out Notice (the "Objection Period"), such calculations shall be final, binding and conclusive upon the Parties, absent manifest arithmetic error. During such Objection Period, Buyer shall provide the Sellers with access to the books and records that are relevant to the calculation of the applicable Earn-Out Payment. If Sellers have any objections to such calculations, Sellers shall deliver to Buyer, within the applicable Objection Period, a detailed statement describing in good faith such objections (an "Objection Report"). If Sellers and Buyer are unable, after negotiating in good faith, to reach a final resolution within fifteen (15) days after the date of the Objection Report, then either Sellers or Buyer may refer the dispute to the Independent Reviewer to act as arbiter, and not for independent review. The costs of the Independent Reviewer shall be shared by Buyer and Sellers. The Independent Reviewer's determination of the achievement or failure to achieve and Earn-Out Milestones and amount of the Earn-Out Payment due and owing, if any, shall be final and binding on the Parties.

(e) Payment Method.

(i) Buyer shall pay to Sellers or to their assignee(s) designated by Sellers, and, if applicable and subject to the terms of Section 6.5, into the Escrow Account, any Earn-Out Payment determined to have been earned pursuant to Section 2.2(d) above in immediately available funds, provided, that Buyer may elect (in Buyer's sole discretion) instead to pay any such Earn-Out Payments by issuing to Sellers, or to assignee(s) of Sellers, the number of shares of Aytu Common Stock determined by dividing the applicable Earn-Out Payment by the Price Per Share on the date of payment of such shares (the "Earn-Out Shares"); provided, further that at least 5% of each Earn-Out Payment shall be paid in cash in immediately available funds to Sellers or their assignee(s). Notwithstanding the above, Earn-Out Shares shall be delivered to Sellers or their assignee(s) only upon receipt of appropriate investor representation and other required information as reasonably requested by Buyer.

(ii) The aggregate number of Earn-Out Shares issued shall not exceed 4,600,000 total outstanding shares of Aytu Common Stock (the "Issuance Threshold") without approval of a majority of the holders of Aytu Common Stock. If a majority of the holders of Aytu Common Stock do not provide such approval, the Earn-Out Payments owed pursuant to this Section 2.2 that exceed the Issuance Threshold will be paid in cash.

(iii) Securities Matters. The Earn-Out Shares issued pursuant to Section 2.2(e)(i) shall be issued under an effective shelf registration statement (a "Shelf Registration Statement") if available, and if such a Shelf Registration Statement is not available, pursuant to Rule 506 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act").

(iv) Sellers and their assignee(s) and Brooke and Massari shall irrevocably agree not to sell, contract to sell, grant any option, right or warranty to purchase, transfer the economic risk of ownership in, make any short sale of, purchase any option or contract to sell, pledge or otherwise transfer, encumber or dispose of, any interest in any Earn-Out Shares or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Earn-Out Shares during the six (6) months following the issuance of such Earn-Out Shares. Sellers and their assignee(s) and Brooke and Massari shall further irrevocably agree not make any short sale or pledge, loan, hypothecate or otherwise transfer any Earn-Out Shares for the purpose of entering into any "put equivalent position" (as defined in Rule 16a-1(h) of the Exchange Act) at any time. Sellers, Brooke and Massari further irrevocably agree to comply with the terms of any lock-up or similar agreement required in connection with an offering of securities of Buyer.

(f) Buy-Back Negotiation and ROFR.

(i) In the event any of the following events occur: (A) Buyer has abandoned its efforts to achieve any further Earn-Out Milestones and has no intention of renewing such efforts in the future, as evidenced by the facts and circumstances (including public statements); (B) Buyer has determined that the Clinical Trial has failed, in accordance with Section 2.2(c); or (C) Buyer makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due; an order is entered adjudicating Buyer bankrupt or insolvent; any order for relief with respect to Buyer is entered under the Title 11 of the United States Code entitled "Bankruptcy," as now or hereinafter in effect, or any successor statute; Buyer petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of Buyer, or of any substantial part of the assets of Buyer, or commences any proceeding relating to Buyer under any bankruptcy reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction (each of (A) through (C), a "Trigger Event"), Sellers may elect to require Buyer to enter into good faith negotiations to sell and assign the Purchased Assets (to the extent still in the possession of Buyer at that time), including all improvements thereto, back to Sellers, in exchange for such consideration and on such terms as Sellers and Buyer may agree (a "Buy-Back Negotiation"). Conducting a Buy-Back Negotiation or exercise of the ROFR (as described in Section 2.2(f)(iii) below) shall be Sellers' sole remedy against Buyer in the event any Trigger Event in Section 2.2(f)(i)(C) occurs; provided, that Buyer shall remain liable for any and all Earn-Out Payments due and owing to Sellers prior to the date the Purchased Assets are transferred pursuant to the Buy-Back Negotiation or ROFR. For the avoidance of doubt, nothing in this Section 2.2(f) shall prevent Sellers from making a claim under Section 6.2 with respect to Buyer's breach of its obligations under Section 2.2(c).

(ii) To effect its rights under Section 2.2(f)(i), Sellers must provide Buyer with written notice of the alleged Trigger Event that gives rise to its rights to effect a Buy-Back Negotiation pursuant to Section 2.2(f)(i) (a "Trigger Event Notice"), including, if applicable, in reasonable detail a description of the facts and circumstances supporting Sellers' position that Buyer has abandoned its efforts to achieve any further Earn-Out Milestone and has no intention of renewing such efforts in the future. If disputed, representatives of Sellers and Buyer with authority to resolve the allegation of occurrence of such Trigger Event shall meet and discuss in good faith Sellers' allegations and Buyer's perspective on Sellers' allegation not less than thirty (30) days after receipt of the Trigger Event Notice in an attempt to resolve the dispute. If unable to resolve the dispute, Buyer or Sellers may seek a judicial determination of the question in accordance with this Agreement.

(iii) In addition to the right to conduct a Buy-Back Negotiation described above, if a Trigger Event has occurred, then for the six-month period beginning on the later of (A) the date of the Trigger Event Notice or (B) a judicial determination described Section 2.2(f)(ii) in favor of Seller (the "ROFR Period"), Sellers shall have a right of first refusal ("ROFR") with respect to any proposed sale of all or substantially all of the Purchased Assets (to the extent still in the possession of Buyer at that time) to a Third Party. During the ROFR Period, Buyer may not consummate a sale transaction or enter into a definitive agreement involving all or substantially all of such Purchased Assets unless it first (X) notifies Sellers of the proposed sale, which notice shall include a summary of the material terms of such sale (a "ROFR Notice") and (Y) allows Sellers a twenty (20)-day period in which to elect to purchase such Purchased Assets on the same terms set forth in the ROFR Notice. Sellers must notify Buyer of their intent to exercise the ROFR on the terms set forth in the ROFR Notice in writing, which shall include reasonably satisfactory confirmation of Sellers' capability to fulfill those terms. Upon receipt of such confirmation, Buyer and Sellers shall work in good faith to complete a sale transaction on such terms as soon as reasonably practicable.

(g) Time of the Essence. The Parties agree that time is of the essence with respect to Buyer's obligations to use commercially reasonable efforts to achieve each Earn-Out Milestone under Section 2.2(c).

(h) Competing Products. During any period that Sellers are eligible to receive an Earn-Out Payment under this Agreement, Buyer shall not, and shall cause its Affiliates not to, develop, acquire or operate any business that develops, produces, markets or sells a Competing Product.

Section 2.3. Purchased Assets.

(a) The term "Purchased Assets" means all of the assets primarily used or held for use in the Business, including but not limited to Sellers' right, title and interest in, to and under the following properties and assets (tangible or intangible), in each case other than the Excluded Assets:

(i) the Contracts relating to the Business, including those set forth on Schedule 2.3(a)(i) (collectively, the "Assumed Contracts"), including all rights thereunder;

(ii) all Business Intellectual Property owned by Sellers including the Intellectual Property Rights set forth on Schedule 2.3(a)(ii), and all licenses and other rights of Sellers in relation to any Business Intellectual Property that it does not own;

(iii) all Books and Records, including the Regulatory Documents set forth on Schedule 2.3(a)(iii);

(iv) all Data;

(v) all prepaid expenses related to the Business, including as set forth on Schedule 2.3(a)(v);

(vi) infrastructure for the marketing and commercialization of the Product, and/or other activities in support of the Business, including associated know-how, files, and other assets such as marketing materials, tradeshow booths and exhibits; and

(vii) all claims, counterclaims, credits, causes of action, choses in action, rights of recovery, and rights of indemnification or setoff against Third Parties and other claims primarily arising out of or primarily relating to the Purchased Assets or the Assumed Liabilities after the Closing and all other intangible property rights that relate to the Purchased Assets or the Assumed Liabilities.

(b) Other than the Purchased Assets, Buyer expressly understands and agrees that it is not purchasing or acquiring, and Sellers are not selling or assigning, any other assets or properties of Sellers or any of their Affiliates, and all such other assets and properties shall be excluded from the Purchased Assets (collectively, the "Excluded Assets"). The Excluded Assets shall include, but not be limited to, the following:

(i) all cash and cash equivalents, bank accounts and securities of Sellers;

(ii) all Excluded Contracts;

(iii) all rights, claims and credits of Sellers to the extent relating to any Excluded Asset or any Excluded Liability;

(iv) all land, buildings, improvements and fixtures thereon owned or leased by Sellers;

(v) the tangible personal property of Sellers;

(vi) all rights and goodwill pertaining to the name "Rumpus" and the Rumpus logo;

(vii) the domain name https://www.rumpustx.com/; and

(viii) the membership interests of Sellers, corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Sellers.

Section 2.4. Assumed Liabilities; Excluded Liabilities.

(a) Pursuant to the terms and subject to the conditions of this Agreement, at the Closing, Sellers shall sell, convey, deliver, transfer and assign to Buyer (or its designated Affiliate), and Buyer (or its designated Affiliate) shall assume from Sellers the Assumed Liabilities.

(b) Notwithstanding anything in this Agreement or the Related Documents to the contrary, other than the Assumed Liabilities: (i) Buyer shall not be the successor to any Seller, and (ii) Buyer expressly does not assume, and shall not become liable to pay, perform or discharge, any Liability whatsoever of any Seller, to the extent arising out of or otherwise relating in any way to the Purchased Assets. All such Liabilities are referred to herein as the "Excluded Liabilities". Without limitation of the foregoing, the Excluded Liabilities shall include the following Liabilities:

(i) any Liabilities to the extent relating to or arising out of the Excluded Assets;

(ii) any Liability for Taxes (a) of any Seller, (b) relating to the Business, the Purchased Assets or the Assumed Liabilities for any Pre-Closing Tax Period, (c) that arise out of the transactions contemplated hereby or that are the responsibility of any Seller pursuant to Section 5.2 other than Transfer Taxes for which Buyer is liable under Section 5.2 below, or (d) of any Person of any kind or description that becomes a liability of Buyer under any common law doctrine of de facto merger or transferee or successor liability or otherwise by operation of Contract or Law in connection with the transactions contemplated hereby;

(iii) any Liabilities of any Seller under this Agreement, the Related Documents or in connection with the Contemplated Transactions;

(iv) all Liabilities pertaining to any Assumed Contract which relate to the period prior to the Closing (other than the Assumed Liabilities);

(v) all Liabilities under the Excluded Contracts;

(vi) any Liabilities (including all Actions relating to such Liabilities) of Sellers or any Affiliates of a Sellers to any Person and claims from any Person to the extent relating to or arising out of circumstances existing on or prior to the Closing, including those to the extent relating to or arising out of any product liability, patent infringement, breach of warranty or similar claim for injury to person or property that resulted from the use, operation, ownership or misuse of the Purchased Assets or the operation of the business of Sellers or any Affiliates of a Seller, to the extent such conduct occurred on or prior to the Closing;

(vii) any successor Liability relating to any Seller's defined benefit plans or otherwise pursuant to applicable state employment or labor laws and ERISA;

(viii) any Liabilities (including all Actions relating to such Liabilities) arising from actions or inactions during the pre-Closing period, to the extent relating to or arising out of the Intellectual Property Rights of any Person on or prior to the Closing, including any Liability for any loss or infringement, misappropriation, other violation thereof or for violation of privacy, personal information or data protection rights;

(ix) the Convertible Promissory Note; and

(x) any other Liabilities arising out of the Purchased Assets or the operation of the business of Sellers or any Affiliates of a Seller on or prior to the Closing, whether or not any such Liabilities are claimed prior to or after the Closing (other than the Assumed Liabilities).

Section 2.5. Closing; Closing Deliverables.

(a) Closing. The closing of the Acquisition (the "Closing") shall take place remotely by exchange of electronic copies of the agreements, documents, certificates and other instruments set forth in this Section 2.5 on the date hereof, or at such other time, date or place as Sellers and Buyer may mutually agree upon in writing. The date on which the Closing occurs is referred to herein as the "Closing Date" and, for all purposes of this Agreement, the Closing shall be deemed effective as of open of business on the Closing Date.

(b) Sellers Closing Deliverables. At or prior to the Closing, Sellers shall

(i) deliver or cause to be delivered to Buyer:

(A) the Purchased Assets free and clear of all Liens, other than Permitted Liens;

(B) a certificate, dated as of the Closing Date, duly executed by the secretary of each Seller, certifying that: (i) all documents to be executed by each Seller and delivered at the Closing have been executed by a duly authorized officer of each Seller; (ii) the written consent of the managing member of each of Rumpus VEDS and Rumpus Vascular and the board of managers of Rumpus Therapeutics authorizing the execution, delivery and performance of this Agreement, as attached to the certificate, were duly adopted and remain in full force and effect, and have not been amended, rescinded or modified, except to the extent attached thereto; and (iii) each Seller's officer(s) executing this Agreement, and each of the other documents necessary for consummation of the Contemplated Transactions, is an incumbent officer, and the specimen signature on such certificate is a genuine signature;

(C) the bill of sale in the form of Exhibit 2.5(b)(i)(C)(1) (the "Bill of Sale") and the assignment and assumption agreement in the form of Exhibit 2.5(b)(i)(C)(2) (the "Assignment and Assumption Agreement"), each duly executed by each Seller;

(D) a certificate from each Seller, dated as of the Closing Date, prepared and executed in accordance with Treasury Regulations Section 1.1445-2(b)(2) certifying that Buyer is not required to withhold from the proceeds of the Acquisition pursuant to Section 1445 of the Code;

(E) a certificate, dated as of the Closing Date, duly executed by an authorized officer of each Seller, certifying that each Seller (a) is able to pay its debts as they become due and (b) has adequate capital to carry on its business;

(F) employment agreements with each of Christopher Brooke and Nate Massari, substantially in the form of Exhibit 2.5(b)(i)(F) (the "Employment Agreements"); and

(G) a duly completed and accurate IRS Form W-8orW-9 for each Seller.

(ii) settle the Convertible Promissory Note and have no outstanding obligations thereunder.

(c) Buyer Closing Deliverables. At or prior to the Closing, Buyer shall

(i) deliver or cause to be delivered to Sellers:

(A) the Closing Consideration;

(B) a certificate, dated as of the Closing Date, duly executed by an authorized officer of Buyer, certifying that: (1) all documents to be executed by Buyer and delivered at the Closing have been executed by a duly authorized signatory of Buyer; (2) the resolutions adopted by the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement, as attached to the certificate, were duly adopted and remain in full force and effect, and have not been amended, rescinded or modified, except to the extent attached thereto; and (3) Buyer's officer executing this Agreement, and each of the other documents necessary for consummation of the Contemplated Transactions, is an incumbent officer, and the specimen signature on such certificate is a genuine signature;

(C) a certificate, dated as of the Closing Date, duly executed by an authorized officer of Buyer, certifying that Buyer (a) is able to pay its debts as they become due and (b) has adequate capital to carry on its business;

(D) the Bill of Sale and the Assignment and Assumption Agreement, each duly executed by Buyer.

(ii) exercise or cause to be exercised the Option Exercise and pay to Denovo an amount equal to $550,000.

(iii) pay to Johns Hopkins the assignment fee under the Johns Hopkins License Agreement in an amount equal to $50,000.

Section 2.6. Non-assignable Assets.

(a) Notwithstanding anything to the contrary in this Agreement, and subject to the provisions of this Section 2.6, to the extent that the sale, assignment, transfer, conveyance or delivery, or attempted sale, assignment, transfer, conveyance or delivery, to Buyer of any Purchased Asset would result in a violation of applicable Law, or would require the consent, authorization, approval or waiver of a Person who is not a party to this Agreement or an Affiliate of a party to this Agreement (including any Governmental Authority), and such consent, authorization, approval or waiver has not been obtained prior to the Closing, this Agreement shall not constitute a sale, assignment, transfer, conveyance or delivery, or an attempted sale, assignment, transfer, conveyance or delivery, thereof; provided, however, that, subject to Sellers' compliance with this Section 2.6, the Closing shall occur notwithstanding the foregoing without any adjustment to the Purchase Price on account thereof. Following the Closing, Sellers and Buyer shall use, each at its own cost and expense, commercially reasonable efforts, and shall cooperate with each other, to obtain any such required consent, authorization, approval or waiver, or any release, substitution or amendment required to novate all rights, liabilities and obligations under any and all Assumed Contracts or other liabilities that constitute Assumed Liabilities or to obtain in writing the unconditional release of all parties to such arrangements, so that, in any case, Buyer shall be solely responsible for such liabilities and obligations from and after the Closing Date; provided, however, that neither any Seller nor Buyer shall be required to pay any consideration therefor. Once such consent, authorization, approval, waiver, release, substitution or amendment is obtained, Sellers shall sell, assign, transfer, convey and deliver to Buyer the relevant Purchased Asset to which such consent, authorization, approval, waiver, release, substitution or amendment relates for no additional consideration. Applicable Transfer Taxes in connection with such sale, assignment, transfer, conveyance or license shall be paid by 50% by Sellers and 50% by Buyer in accordance with Section 5.2(a) of this Agreement.

(b) To the extent that any Purchased Asset or Assumed Liability cannot be transferred to Buyer following the Closing pursuant to this Section 2.6, Buyer and Sellers shall use, each at its own cost and expense, commercially reasonable efforts to enter into such arrangements (such as subleasing, sublicensing, or subcontracting) to provide to the parties the economic and, to the extent permitted under applicable Law, operational equivalent of the transfer of such Purchased Asset and/or Assumed Liability to Buyer as of the Closing and the performance by Buyer of its obligations with respect thereto. To the extent permitted under applicable Law, Sellers shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Purchased Asset and all income, proceeds and other monies received by Sellers to the extent related to such Purchased Asset in connection with the arrangements under this Section 2.6. Notwithstanding anything herein to the contrary, the provisions of this Section 2.6 shall not apply to any consent or approval required under any antitrust, competition or trade regulation Law.

Section 2.7. Purchase Price Allocation.

(a) The Purchase Price and other relevant items for Tax purposes shall be allocated among the Purchased Assets in accordance with the principles set forth in Section 1060 of the Code (and the Treasury Regulations promulgated thereunder). Buyer shall prepare a draft allocation statement in accordance with the aforementioned principles and provide a copy to Sellers no later than sixty (60) calendar days after the Closing Date. Sellers shall inform Buyer in writing within thirty (30) calendar days of the receipt of such draft of any objection Sellers have to the draft allocation. To the extent that any such objection is received, the Buyer and Sellers shall attempt in good faith to resolve any dispute. If Buyer and Sellers are unable to reach such agreement within thirty (30) days after receipt by Buyer of such notice (or such longer period as may be mutually agreed), the disputed items shall be resolved by a nationally recognized accounting firm that is mutually acceptable to Buyer and Sellers (the "Independent Accountants"), and any determination by the Independent Accountants shall be final. The Independent Accountants shall resolve any disputed items within thirty (30) days of having the item referred to it pursuant to such procedures as it may require. The costs, fees and expenses of the Independent Accountants shall be borne equally by Buyer and Sellers. The allocation as determined by agreement of the Parties or by the Independent Accountants, as the case may be (the "Purchase Price Allocation"), shall be binding on the Parties.

(b) Sellers and Buyer agree to act in accordance with the Purchase Price Allocation, as adjusted and finally determined in accordance with Section 2.7(a) if applicable, in any income Tax Return, including any forms or reports required to be filed pursuant to Section 1060 of the Code or any provisions of any comparable Law, unless otherwise required by a change in Law after the date hereof, or a final "determination," as defined in Section 1313(a) of the Code or similar final resolution under applicable state, local or other Tax Law. Buyer and Sellers shall cooperate in the preparation of such Tax Returns and file such forms as required by applicable Law. Neither Buyer nor any Seller shall take a position inconsistent therewith upon examination of any Tax Return, in any refund claim, or in any litigation or investigation, without the prior written consent of the other Party, except as required by applicable Law. In the event that the Purchase Price Allocation is disputed by any Taxing Authority, the Party receiving notice of the dispute shall promptly notify the other Party in writing of such notice and resolution of the dispute.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers represent and warrant, to Buyer as follows, except as set forth in the Schedules to the Disclosure Letter attached hereto (to the extent any such Schedule to the Disclosure Letter is numbered to correspond to a representation or warranty, such Schedule to the Disclosure Letter includes a cross reference to a Schedule to the Disclosure Letter corresponding to another representation or warranty, or the applicability of disclosure on a Schedule to the Disclosure Letter to another representation is reasonably apparent based on the face of such disclosure).

Section 3.1. Organization, Standing and Power. Each Seller is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and has all requisite corporate power and authority to own, lease or otherwise hold and operate the Purchased Assets and the Business. Each Seller is duly qualified or licensed to do business and is in good standing (in jurisdictions that recognize the concept of good standing) in each jurisdiction in which the Business operates, other than in such jurisdictions where the failure to be so qualified or licensed or to be in good standing individually or in the aggregate has not been and would not reasonably be expected to materially impact the Business. Each Seller has made available to Buyer, prior to the execution of this Agreement, complete and accurate copies of such Seller's certificate of incorporation, bylaws, certificate of organization, operating agreement, and any other applicable formation or organizational documents, in each case as amended to the date hereof (collectively, the "Seller's Organizational Documents"). No Seller is in violation of any of the provisions of the applicable Seller's Organizational Documents.

Section 3.2. Authority; Noncontravention.

(a) Each Seller has all requisite corporate power and authority to execute and deliver this Agreement and the Related Documents and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Related Documents by each Seller and the consummation by each Seller of the Contemplated Transactions have been duly authorized by all necessary corporate action on the part of each Seller and no other corporate proceedings on the part of each Seller are necessary to authorize this Agreement or the Related Documents or to consummate the Contemplated Transactions. Each of this Agreement and the Related Documents has been duly executed and delivered by each Seller and, assuming the due authorization, execution and delivery by Buyer, constitutes a legal, valid and binding obligation of each Seller, enforceable against such Seller in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization or similar Laws affecting the rights of creditors generally and the availability of equitable remedies.

(b) The execution and delivery of this Agreement and the Related Documents by Sellers do not, and the consummation of the Contemplated Transactions and compliance by Sellers with the provisions of this Agreement and the Related Documents will not, conflict with, or result in any violation or breach of, or default under (with or without notice or lapse of time, or both), or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien in or upon the Purchased Assets under, (i) any Seller's Organizational Documents, (ii) any Contract to which any Seller is a party in respect of the Business, or to which any of the Purchased Assets is subject or (iii) any (A) statute, ordinance, rule, regulation or other Law applicable to the Business or the Purchased Assets or (B) Order applicable to the Business or the Purchased Assets, except in the cases of clauses (ii) and (iii), where the conflict, violation, breach, default, termination, cancellation, acceleration or creation of a Lien, individually or in the aggregate, would not be material to the operation of the Business.

(c) No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Authority is required by or with respect to any Seller, its Affiliates or the Purchased Assets in connection with the execution and delivery of this Agreement or any Related Document by Sellers, the transfer of the Purchased Assets to Buyer or the consummation of the Contemplated Transactions.

(d) The managing member of each of Rumpus VEDS and Rumpus Vascular and the board of managers of Rumpus Therapeutics, by written consent not subsequently rescinded or modified in any way, has approved and declared advisable this Agreement, including the execution, delivery, and performance thereof, and the consummation of the transactions contemplated by this Agreement, upon the terms and subject to the conditions set forth herein.

Section 3.3. Financial Statements; Absence of Certain Changes or Events

(a) Sellers have provided Buyer with certain financial information for the Business consisting of revenues and direct costs of the Business for the periods from December 31, 2019 through December 31, 2020, which information fairly represents in all material respects the revenues and direct costs of the Business for such periods.

(b) Sellers have no Liabilities with respect to the Business, except Liabilities under the Johns Hopkins License Agreement and the Denovo Option, and those set forth on Schedule 3.3(b) of the Disclosure Schedules.

(c) Since December 31, 2020 (the "Measurement Date") no event has occurred which would reasonably be expected to result in, individually or in the aggregate, a Sellers Material Adverse Effect and there has been no material loss, destruction or damage (in each case, whether or not insured) affecting the Purchased Assets or any rights thereunder.

Section 3.4. Good Title; Sufficiency of Assets.

(a) Except for the Business Intellectual Property (which is addressed in Section 3.5), (i) Sellers have good and marketable title to, or valid contract rights to or other valid rights to use, as applicable, all of the Purchased Assets free and clear of all Liens (other than Permitted Liens), and has complete power and rights to sell, assign, transfer and deliver to Buyer, as applicable, the Purchased Assets, (ii) there are no adverse claims of ownership to the Purchased Assets and Sellers have not received written notice that any Person has asserted a claim of ownership or right of possession or use in or to any of the Purchased Assets, and (iii) at the Closing, Buyer will acquire from Sellers good title to, or valid contract rights to or other valid rights to use, as applicable, all of the Purchased Assets, free and clear of all Liens (other than Permitted Liens).

(b) Except for the Excluded Assets, the Purchased Assets constitute (i) all of the interests, assets and rights of Sellers acquired, conceived, collected, compiled, generated, reduced to practice or otherwise made or used in connection with the Business and (ii) all of the interests, assets and rights of Sellers used, held for use or intended to be used in connection with the Business or the Product.

Section 3.5. Intellectual Property.

(a) Subject to Section 3.5(b) and Section 3.5(f), Sellers own or have a valid license (pursuant to the licenses set forth on Schedule 2.3(a)(ii)) to use all Business Intellectual Property (including all Intellectual Property Rights set forth on Schedule 2.3(a)(ii)), in each case free and clear of all Liens (other than Permitted Liens and, for Business Intellectual Property licensed to the Sellers, those Liens that may be imposed by the terms of the Contracts identified in Schedule 3.5(f) pursuant to which such licenses were granted). All Business Intellectual Property will, immediately subsequent to the Closing, be owned by or licensed to Buyer on substantially the same terms on which Sellers, immediately prior to the Closing, owned or licensed such Business Intellectual Property. For the avoidance of doubt, this Section 3.5(a) does not constitute a representation or warranty of Sellers relating to infringement, misappropriation or other violation of the Intellectual Property Rights of anyPerson.

(b) Sellers have not infringed, misappropriated or otherwise violated and Sellers are not infringing, misappropriating or otherwise violating (including with respect to the discovery, development, clinical testing, manufacture, distribution, advertising, use, Exploitation or sale by any Seller of the Product) the rights of any other Person with regard to the Product or Business Intellectual Property; provided, however, that with respect to Third Party patents and trademarks, the foregoing representation and warranty are made only to Sellers' Knowledge. To Sellers' Knowledge, the Business Intellectual Property constitutes all Intellectual Property Rights that Buyer would need to practice in order to Exploit the Product after the Closing in substantially the same manner as Sellers have Exploited the Product prior to the Closing. To Sellers' Knowledge, no other Person or Persons has or have infringed, misappropriated or otherwise violated or is or are infringing, misappropriating or otherwise violating the Business Intellectual Property owned by or exclusively licensed to Sellers.

(c) No claims against Sellers are pending or, to Sellers' Knowledge, threatened with regard to (i) the Control or use of any Business Intellectual Property; (ii) any actual or potential infringement, misappropriation or unauthorized use of Business Intellectual Property; (iii) any actual or potential infringement, misappropriation or unauthorized use of any Third Party's Intellectual Property Rights with respect to any Business Intellectual Property, the Business, or the Product; or (iv) the validity or enforceability of any Business Intellectual Property. Sellers have the right to bring actions for infringement, including all rights to recover damages for past infringement (to the extent permitted by applicable Law), of all Business Intellectual Property owned by or exclusively licensed to Sellers.

(d) Schedule 2.3(a)(ii) sets forth, as of the date hereof, a complete and accurate list of all patents and applications therefor, registered trademarks and applications therefor, domain name registrations (if any), copyright registrations (if any) and all invention disclosures, that, in each case, are owned by or licensed to Sellers or their Affiliates and related to the Business or the Product. The patent applications listed in Schedule 2.3(a)(ii) that are owned by Sellers or their Affiliates are (and such applications that are otherwise Controlled by Sellers and used in the Business are, to Sellers' Knowledge) pending and have not been abandoned and have been and continue to be timely prosecuted. All patents, registered trademarks and applications therefor owned by Sellers or their Affiliates that are related to the Business, the Product have been (and all such patents, registered trademarks and applications otherwise licensed to Sellers or their Affiliates have been, to Sellers' Knowledge) duly registered or filed with or issued by each appropriate Governmental Authority in the jurisdiction indicated in Schedule 2.3(a)(ii), all related necessary affidavits of continuing use have been (or, with respect to licenses, to Sellers' Knowledge have been) timely filed, and all related necessary maintenance fees have been (or, with respect to licenses, to Sellers' Knowledge have been) timely paid to continue all such rights in effect. None of the patents listed in Schedule 2.3(a)(ii) that are owned by Sellers or their Affiliates have (and no such patents that are licensed to Sellers or their Affiliates have, to Sellers' Knowledge) expired, been disclaimed, in whole or in part, been declared invalid, in whole or in part, or held to be unenforceable by any Governmental Authority. None of the trademarks or trademark applications listed in Schedule 2.3(a)(ii) that are owned by Sellers or their Affiliates are (and no such trademarks or trademark applications that are licensed to Sellers or their Affiliates are, to Sellers' Knowledge) involved in or the subject of any ongoing oppositions, cancellations or other proceedings. None of the patents or patent applications listed in Schedule 2.3(a)(ii) that are owned by Sellers or their Affiliates are (and no such patents or patent applications that are licensed to Sellers or their Affiliates are, to Sellers' Knowledge) involved in or the subject of any material ongoing interferences, oppositions, reissues, reexaminations or other proceedings, including ex parte (other than ex parte proceedings in connection with such patent applications) and post-grant proceedings, in the United States Patent and Trademark Office or in any foreign patent office or similar administrative agency. Each of the patents and patent applications listed in Schedule 2.3(a)(ii) that are owned by Sellers or their Affiliates properly identifies (and, to Sellers' Knowledge, such patents and applications licensed to Sellers or their Affiliates properly identify) each and every inventor of the claims thereof as determined in accordance with the Laws of the jurisdiction in which such patent is issued or such patent application is pending. Each inventor named on the patents and patent applications listed in Schedule 2.3(a)(ii) that are owned by Sellers or their Affiliates has executed (and, to Sellers' Knowledge, such inventors named on such patents and applications that are licensed to Sellers or their Affiliates and material to the Business or the Product have executed) an agreement assigning his, her or its entire right, title and interest in and to such patent or patent application, and the inventions embodied and claimed therein, to Sellers or their Affiliates, as applicable, or in the case of licensed Patents, to the appropriate owners. To Sellers' Knowledge, no such inventor of any patents or patent applications owned by Sellers or their Affiliates has any contractual or other obligation that would preclude any such assignment or otherwise conflict with the obligations of such inventor to Sellers or their Affiliates under such agreement with Sellers or their Affiliates.

(e) No current or former director, officer, employee, contractor or consultant of Sellers or their Affiliates owns any rights in or to any Business Intellectual Property, or any other Intellectual Property Rights covering the Product. All current and former directors, officers, employees, contractors and consultants of Sellers and their Affiliates who contributed to the discovery, creation or development of the Product or Business Intellectual Property did so (i) within the scope of his or her employment such that it constituted a work made for hire and all Business Intellectual Property and any other Product-related Intellectual Property Rights arising therefrom became the exclusive property of Sellers or (ii) pursuant to a written agreement assigning all of his or her rights in Business Intellectual Property and any other Product-related Intellectual Property Rights to Sellers. No current or former directors, officers, employees, contractors or consultants of Sellers or their Affiliates has notified any Seller or its Affiliates of, nor, to Sellers' Knowledge, otherwise made or threatened to make, any claim or challenge against any Seller or any Affiliates of any Seller in connection with their contribution to the discovery, creation or development of any Business Intellectual Property or any other Intellectual Property Rights covering or pertaining to the Product.

(f) Schedule 3.5(f) sets forth a complete and accurate list as of the date hereof of all options, rights, licenses or interests of any kind relating to the Product or Business Intellectual Property (i) granted to Sellers or their Affiliates by any other Person (other than software licenses for commercially available off-the-shelf software and except pursuant to employee proprietary inventions agreements (or similar employee agreements)), or (ii) granted by Sellers or their Affiliates to any other Person (including any obligations of such other Person to make any fixed or contingent payments, including royalty payments). All material obligations for payment of monies due and payable by Sellers or their Affiliates prior to Closing and other material obligations in connection with such options, rights, licenses or interests that were required to be performed prior to Closing have been satisfied in a timely manner.

(g) Sellers or their Affiliates, as applicable, have used reasonable efforts to make all filings with Governmental Authorities and obtain all grants and registrations as may be reasonably necessary or appropriate to preserve and protect the Business Intellectual Property owned by Sellers or their Affiliates.

(h) Sellers or their Affiliates, as applicable, have used reasonable efforts and taken commercially reasonable steps designed to maintain in confidence its trade secrets and other confidential information acquired, conceived, developed, collected, compiled, generated, reduced to practice or otherwise made or used in connection with the Business or related to the Product, including through the development of a policy for the protection of intellectual property and periodic training for all employees of Sellers and their Affiliates on the implementation of such policy; requiring all employees of each Seller to execute confidentiality agreements with respect to intellectual property developed for or obtained from Sellers or their Affiliates; and entering into licenses and Contracts that generally require licensees, contractors and other Third Parties with access to any trade secrets or other confidential information to keep such trade secrets or other confidential information confidential. To the Knowledge of the Sellers: (i) no Third Parties have materially violated any material term of such licenses or Contracts, and (ii) the confidentiality of Sellers' and their Affiliates' trade secrets and other confidential information pertaining to the Business or the Product has not otherwise been materially compromised.

(i) The execution and delivery of this Agreement and the Related Documents by Sellers do not, and the consummation of the Contemplated Transactions and compliance by Sellers with the provisions of this Agreement and any Related Document will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancellation or acceleration of any right or obligation or to the loss of a benefit under, or result in the creation of any Lien in or upon or the transfer of, any Business Intellectual Property that is material to the Business or the Product.

Section 3.6. Assumed Contracts.

(a) There are no Contracts, other than the Assumed Contracts and the Excluded Contracts, to which Sellers or any of their Affiliates is a party or by which Sellers or any of their Affiliates is bound, in either case, to which the Business or any of the Purchased Assets are subject. Schedule 2.3(a)(i) includes a complete list of all of the Assumed Contracts.

(b) The Assumed Contracts are legal, valid and binding agreements of Sellers and are in full force and effect and are enforceable against each Seller and, to Sellers' Knowledge, each other party thereto, in accordance with their terms, subject to bankruptcy, insolvency, moratorium, reorganization or similar Laws affecting the rights of creditors generally and the availability of equitable remedies. Sellers have performed all material obligations required to be performed by it to date under the Assumed Contracts, and is not and will not be (with or without notice or lapse of time, or both) in breach or default in any material respect thereunder and, to Sellers' Knowledge, no other party to any Assumed Contract is (with or without notice or lapse of time, or both) in breach or default in any material respect thereunder. No Seller has received any written notice of intention to terminate any Assumed Contract or of any claim of breach with respect to the performance of any Seller's obligations under any Assumed Contract. None of the Assumed Contracts are the subject of any ongoing negotiation discussions or pending notice of termination.

Section 3.7. Compliance with Law. The Purchased Assets and the Business have been since the Measurement Date and are conducted in all respects in compliance with all applicable Laws, except where the failure to be in compliance would not reasonably be expected to be material to the operation of the Business. No Seller has received any written notice from any Governmental Authority or other Person to the effect that such Seller is not, or may not be, in compliance with any material Law with respect to the Purchased Assets or the Business.

Section 3.8. Litigation. There is no Action pending or, to Sellers' Knowledge, threatened, that affects or, if successful, would reasonably be expected to be materially adverse to the Purchased Assets or that, if successful, would reasonably be expected to result in restraining, enjoining or otherwise preventing the completion by Seller of the Contemplated Transactions. There is no outstanding Order of any Governmental Authority against Sellers or any of their Affiliates arising out of or relating to the Purchased Assets or that would reasonably be expected to be materially adverse to the Purchased Assets or that would reasonably be expected to result in restraining, enjoining or otherwise preventing the completion by Seller of the Contemplated Transactions.

Section 3.9. Taxes.

(a) Each Seller has filed (taking into account any valid extensions) all income Tax and other material Tax Returns required to be filed by such Seller. Such Tax Returns are true, complete and correct in all material respects. No Seller is currently a beneficiary of any extension of time within which to file any such Tax Return other than extensions of time to file Tax Returns obtained in the ordinary course of business. All material Taxes due and owing by Sellers, whether or not shown on such Tax Returns, have been paid. Each Seller has established, in accordance with GAAP as applied on a basis consistent with that of preceding periods, adequate reserves for the payment of any Taxes not yet due and payable arising from or with respect to the Business or the Purchased Assets and are incurred or attributable to a Pre-Closing Tax Period.

(b) Each Seller has withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, shareholder or other party, and has complied in all material respects with all information reporting and backup withholding required by applicable Law.

(c) There are no encumbrances for Taxes (other than Permitted Liens) upon any of the Purchased Assets.

(d) No deficiency for any Taxes has been proposed, asserted or assessed in writing against any Seller that has not been resolved and paid in full. No waiver, extension or comparable consent given by any Seller regarding the application of the statute of limitations with respect to any Taxes or Tax Returns is outstanding, nor is any request for any such waiver or consent pending. There is no pending Tax audit or other administrative proceeding or court proceeding with regard to any Taxes or Tax Returns of Sellers, nor has there been any written notice to Sellers by any Taxing Authority regarding any such audit or other proceeding, nor, to Sellers' Knowledge, is any such Tax audit or other proceeding threatened with regard to any taxes or Tax Returns of any Seller.

(e) Schedule 3.9(e) sets forth each jurisdiction in which each Seller is required to file Tax Returns or pay Taxes with respect to the Business or the Purchased Assets. No written claim has been made by a Taxing Authority in any jurisdiction where any Seller does not file Tax Returns that the Business or the Purchased Assets are or may be subject to taxation by that jurisdiction.

(f) No power of attorney or closing agreement with respect to any Tax matter is currently in force with respect the Purchased Assets that would, in any manner, bind, obligate or restrict Buyer. Sellers have not executed or entered into any agreement with, or obtained any consents or clearances from, any Taxing Authority, or has been subject to any ruling guidance specific to any Seller that would be binding on Buyer in respect of the Purchased Assets or the Business for any Post-Closing Tax Period.

(g) No Seller has participated in any reportable or listed transaction as defined under Section 6707A(c) of the Code or Treasury Regulations Section 1.6011-4(b).

Section 3.10. Regulatory Matters.

(a) Sellers do not hold any Regulatory Authorizations in connection with the Indication and are not, and have not been, required to hold any Regulatory Authorizations in connection with the Business or the Indication. Except as set forth on Schedule 3.10(a), Sellers have not made any applications, notifications or submissions related to any Regulatory Authorizations in connection with the Indication. Sellers have furnished to Buyer all Regulatory Documents that are in Sellers' possession or control.

(b) (i) Sellers and their Affiliates have not failed to file with any applicable Regulatory Authorities any required filing, declaration, listing, registration, report or submission in connection with the Indication; (ii) all such filings, declarations, listings, registrations, reports or submissions were in material compliance with Law when filed; and (iii) to Sellers' Knowledge, no deficiencies have been asserted by any applicable Regulatory Authority with respect to any such filings, declarations, listings, registrations, reports or submissions that remain unresolved.

(c) To Sellers' Knowledge, all clinical studies, trials and investigations conducted or sponsored in relation to the Business are being, and at all times have been, conducted in compliance in all material respects with all applicable clinical protocols, informed consents and applicable Laws administered or issued by applicable Regulatory Authorities, including (to the extent applicable) (i) the U.S. Food and Drug Administration ("FDA"), including standards for conducting non-clinical laboratory studies contained in Title 21 part 58 of the Code of Federal Regulations and associated regulatory guidance or, if applicable, standards set by other governing health authorities, (ii) investigational new drug requirements and associated regulatory guidance, (iii) FDA or other Regulatory Authority or other Governmental Authority standards for the design, conduct, performance, monitoring, auditing, recording, analysis and reporting of clinical trials, including Title 21 parts 50, 54, 56, 210, 312, 314, 316 and 320 of the Code of Federal Regulations and associated regulatory guidance, (iv) Laws or other Regulatory Authority standards for restricting the use and disclosure of individually identifiable health information, (v) the International Council for Harmonisation Guideline on Good Clinical Practice (ICH Topic E6) and associated regulatory guidance and (vi) communications or notices from Regulatory Authorities regarding the conduct of such studies, trials and investigations. To Seller's Knowledge, all clinical trial adverse events in patients in a clinical trial conducted or sponsored in relation to the Business within the knowledge of Sellers have been disclosed to Buyer and all associated correspondence to or from Sellers or any of their Affiliates, including actual or potential claims for recompense, have been made available to Buyer. Sellers and their Affiliates have received no notices or other correspondence from the FDA or any committee thereof or from any other Regulatory Authority or other Government Authority requiring or recommending the termination or suspension of any pre-clinical or clinical trials related to the Product. All pre-clinical data is included in the patent applications for the Business Patents set forth on Schedule 1.1(b). To Sellers' Knowledge's, neither the FDA nor any Governmental Authority has identified any concerns to Seller, either in writing or verbally, relating to Product quality or manufacture that could delay a regulatory submission review and approval.

(d) Sellers and their Affiliates have not directly or indirectly received any written communication (including any warning letter, untitled letter, Form 483 or similar notice) from any Regulatory Authority, and, to Sellers' Knowledge, there are no material Actions related to the Business pending or threatened (including any prosecution, injunction, seizure, civil fine, suspension or recall) (i) relating to, arising under or alleging that any Seller or any of its Affiliates, officers, employees or agents is not currently in compliance with, any Law administered or issued by any Regulatory Authority, or (ii) regarding any debarment action or investigation in respect of any Seller or any of its officers, employees, agents or any person employed by it to perform any work related to the development of the Product undertaken pursuant to 21 U.S.C. Sections 335a, 335b and 335c, or any similar regulation of a Regulatory Authority, and no such person is otherwise disqualified by a Regulatory Authority or government program. To Sellers' Knowledge, there are no pending voluntary or involuntary destruction orders, seizures or other regulatory enforcement actions related to the Business and no Data relating to the Product that has been made public is the subject of any regulatory or other Action, either pending or threatened, by any Regulatory Authority questioning the truthfulness or scientific adequacy of such Data.

(e) No Seller nor any of its Affiliates nor, any officer, employee, agent or distributor of any Seller or its Affiliates, has made an untrue statement of a material fact or fraudulent statement to the FDA or any other Governmental Authority, failed to disclose a material fact required to be disclosed to the FDA or any other Governmental Authority, or committed an act, made a statement, or failed to make a statement that, at the time such disclosure was made, would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities", set forth in 56 Fed. Reg. 46191 (September 10, 1991) or for any other Governmental Authority to invoke any similar policy. Neither any Seller, its Affiliates nor, to Sellers' Knowledge, any officer, employee or agent of Seller or its Affiliates has been convicted of any crime or engaged in any conduct for which debarment is mandated by or authorized by 21 U.S.C. Sections 335(a), (b) and (c) or any similar Laws. Neither any Seller nor, to Sellers' Knowledge, any officer, employee or agent of any Seller has been convicted of any crime or engaged in any conduct for which such Person would be excluded from participating in the Federal health care programs under Section 1128 of the Social Security Act of 1935, as amended, or any similar Laws.

(f) Sellers and their Affiliates are, and, since January 1, 2020, have been, in compliance with: (i) Laws and guidance pertaining to state and federal Anti-Kickback Statutes (42 U.S.C. §§ 1320a-7b(b), et seq. and their implementing regulations) and the related Safe Harbor Statutes; (ii) Laws and guidance pertaining to submission of false claims to governmental or private health care payors (31 U.S.C. §§ 3729, et seq. and its implementing regulations); and (iii) Laws relating to providing and reporting of payments to health care professionals or health care entities.

(g) Sellers have not presented or caused to be presented to any Governmental Authority or any other Person any claim for payment for an item or service in violation of, or that would be the basis for liability under, the False Claims Act, 31 U.S.C. § 3729 – 3733, any similar state false claims act, the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b, the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, or the common law or administrative theories of recoupment, payment by mistake, unjust enrichment, disgorgement, conversion, breach of contract, or fraud.

Section 3.11. Relationships with Third Parties. Since the Measurement Date, no Person materially involved in the Exploitation of the Product has canceled or otherwise terminated, or provided written notice to any Seller of its intent, or to Sellers' Knowledge, threatened in writing, to terminate its relationship with Denovo or any Seller with respect to the Product.

Section 3.12. Brokers and Other Advisors. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission for which Buyer could become responsible in connection with the Contemplated Transactions based upon arrangements made by or on behalf of Sellers.

Section 3.13. Insurance. Sellers and their Affiliates maintain such policies of insurance relating to the Purchased Assets and the Business as are reasonably sufficient for material compliance by Sellers and their Affiliates with (i) all requirements of applicable Laws and (ii) all Assumed Contracts, and Sellers and their Affiliates have complied in all material respects with the provisions of each such policy under which it is an insured party. No Seller nor any of its Affiliates have been refused any insurance with respect to any Purchased Asset or the Business, nor has any Sellers' or any of its Affiliates' coverage been limited by any insurance carrier to which it has applied for insurance or with which it has carried insurance. To Sellers' Knowledge, there are no existing claims under any insurance policy relating to the Purchased Assets or the Business. No written notice of cancellation or termination has been received by any Seller or any of its Affiliates with respect to any insurance policy relating to the Purchased Assets or the Business.

Section 3.14. Solvency. Each Seller is (a) able to pay its debts as they become due and (b) solvent and will be solvent immediately following the Closing. As of the date of this Agreement, no Seller is engaged or intending to be engaged in business or a transaction for which its remaining assets and capital are or will be insufficient. As of the date of this Agreement, no Seller intends to incur Liabilities that would be beyond its ability to pay as such Liabilities matured. No Seller has entered into this Agreement for the purpose of hindering, delaying or defrauding its creditors.

Section 3.15. Related Party Transactions. Schedule 3.15 describes any transaction between any Seller, on the one hand, and any current or former partner, director, officer, employee, manager, member or stockholder (who holds at least five percent (5%) of any Seller's outstanding capital stock) of any Seller, on the other hand, in each case, related to the Purchased Assets or the Business. No current or former partner, director, officer, employee, manager, member or stockholder (who holds at least five percent (5%) of any Seller's outstanding capital stock) of any Seller has any ownership interest in the Purchased Assets, or actively engaged in the business of Exploiting a Competing Product (in each case, other than equity positions in companies that such Person does not Control).

Section 3.16. Employment Law Matters. Sellers (i) are in compliance with all applicable Law and agreements regarding hiring, employment, termination of employment, plant closing and mass layoff, employment discrimination, harassment, retaliation, and reasonable accommodation, leaves of absence, terms and conditions of employment, wages and hours of work, employee classification, employee health and safety, use of genetic information, leasing and supply of temporary and contingent staff, engagement of independent contractors, including proper classification of same, payroll taxes, and immigration and work authorization with respect to Seller employees, and contingent workers; and (ii) are in compliance with all applicable Law relating to the relations between it and any labor organization, trade union, work council, or other body representing Seller employees, except, in the case of clauses (i) and (ii) immediately above, where the failure to be in compliance with the foregoing would not reasonably be expected to be material to the operation of the Business.

Section 3.17. Anticorruption Matters.

(a) No Seller, nor any of its Affiliates, any of its respective directors, officers, or, to Sellers' Knowledge, any managers, employees, or any of its other Representatives, in any way relating to the Purchased Assets or the Business: (i) has taken any action in material violation of any applicable anticorruption Law, including the U.S. Foreign Corrupt Practices Act ("FCPA") (15 U.S.C. § 78 dd-1 et seq.); or (ii) has corruptly, offered, paid, given, promised to pay or give, or authorized the payment or gift of anything of value, directly or indirectly, to any "Public Official", as defined in Section 3.17(c), for purposes of (A) influencing any act or decision of any Public Official in his official capacity; (B) inducing such Public Official to do or omit to do any act in violation of his lawful duty; (C) securing any improper advantage; or (D) inducing such Public Official to use his or her influence with a Governmental Authority, or commercial enterprise owned or controlled by any Governmental Authority (including state-owned or controlled veterinary or medical facilities), in order to assist Sellers or any Affiliates of Sellers, related in any way to the Purchased Assets or the Business, in obtaining or retaining business.

(b) No Seller's officers, directors, employees or agents acting on behalf of Sellers are themselves Public Officials.

(c) For purposes of this Section 3.17, "Public Official" means: (i) any officer, employee or representative of any regional, Federal, state, provincial, county or municipal government or government department, agency, or other division; (ii) any officer, employee or representative of any commercial enterprise that is owned or controlled by a government, including any state-owned or controlled veterinary or medical facility; (iii) any officer, employee or representative of any public international organization, such as the African Union, the International Monetary Fund, the United Nations or the World Bank; (iv) any person acting in an official capacity for any government or Governmental Authority, enterprise, or organization identified above; and (v) any official of a political party or candidate for politicaloffice.

(d) There are no pending proceedings against Sellers, their Affiliates, any of its directors, officers, managers or employees, or, to Sellers' Knowledge, any of its other Representatives, with respect to the violation of any applicable anticorruption Law, including the FCPA, relating to the Purchased Assets or the Business.

(e) Sellers and their Affiliates have not been subject to an anticorruption compliance policy with respect to the Purchased Assets and the Business reasonably appropriate to ensure compliance with applicable anticorruption Laws, including the FCPA.

Section 3.18. Environmental Law Matters. Except for such matters as are not related to nor impact the Business or the Purchased Assets and would not reasonably be expected, individually or in the aggregate, to be material to the operation of the Business:

(a) Sellers and their Affiliates are, and have been, in compliance in all material respects with all Environmental Laws, which material compliance includes the possession, maintenance of, compliance with, or application for, all material permits required under applicable Environmental Laws for the operation Business as currently conducted.

(b) No Seller nor any of its Affiliates has disposed of, released, or discharged any Hazardous Substances on, at, under, in, or from any real property currently or, to the Knowledge of the Sellers, formerly owned, leased, or operated by it or any of its Affiliates or at any other location that is currently subject to any investigation, remediation, or monitoring under any applicable Environmental Laws.

(c) No Seller nor any of its Affiliates has: (i) produced, processed, manufactured, generated, transported, treated, handled, used, or stored any Hazardous Substances, except in compliance in all material respects with Environmental Laws; or (ii) exposed any employee or any Third Party to any Hazardous Substances under circumstances reasonably expected to give rise to any material Liability or obligation under any Environmental Law.

(d) No Seller nor any of its Affiliates has received written notice of, and there is no legal Action pending, or to Sellers' Knowledge, threatened against Sellers or any of their Affiliates, alleging any Liability or responsibility under or non-compliance with any Environmental Law or seeking to impose any financial responsibility for any investigation, cleanup, removal, containment, or any other remediation or compliance under any Environmental Law. No Seller nor any of its Affiliates is subject to any Order, settlement agreement, or other written agreement by or with any Governmental Authority or Third Party imposing any material Liability or obligation with respect to any of the foregoing.

(e) No Seller nor any of its Affiliates has expressly assumed or retained any Liabilities under any applicable Environmental Laws of any other Person, including in any acquisition or divestiture of any property or business.

(f) The representations and warranties in Section 3.18(a) through Section 3.18(e) above constitute Sellers' sole representations and warranties with respect to the compliance of the properties of the Sellers and the Business with Environmental Laws, Permits required under applicable Environmental Laws, or the presence of Hazardous Substances.

Section 3.19. Investment Representations.

(a) With respect to the Earn-Out Shares to be issued hereunder, the Seller represents and warrants that the Seller and any Person to which the right to receive Earn-Out Shares may be assigned are not subject to any Disqualification Event, except for Disqualification Events covered by Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed in writing in reasonable detail to the Buyer.

(b) Without lessening or obviating the representations and warranties of the Buyer set forth in Article IV, the Sellers hereby: (A) acknowledges that the Sellers have received all the information the Sellers have requested from the Buyer and the Sellers consider necessary or appropriate for deciding whether to acquire the Earn-Out Shares and (B) represent that the Sellers have had an opportunity to ask questions and receive answers from the Buyer regarding the terms and conditions of the issuance of the Earn-Out Shares and to obtain any additional information necessary to verify the accuracy of the information given the Sellers.

(c) Sellers agree not to make any disposition of all or any portion of Earn-Out Shares unless and until (i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement or (ii) the disposition is otherwise permitted under the Securities Act or any applicable state securities laws.

Section 3.20. No Other Representations and Warranties. (A) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS ARTICLE III (INCLUDING THE RELATED PORTIONS OF THE DISCLOSURE LETTER), NO SELLER NOR ANY OTHER PERSON HAS MADE OR MAKES ANY REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, AT COMMON LAW OR OTHERWISE, WITH RESPECT TO SELLERS, THE PURCHASED ASSETS, THE BUSINESS OR THE CONTEMPLATED TRANSACTIONS; AND (B) NO SELLER NOR ANY OTHER PERSON HAS MADE OR MAKES ANY REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, AT COMMON LAW OR OTHERWISE, AS TO THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) HERETOFORE FURNISHED TO BUYER AND ITS REPRESENTATIVES BY OR ON BEHALF OF SELLERS AND ANY INFORMATION, DOCUMENTS OR MATERIAL MADE AVAILABLE TO BUYER IN THE DATA ROOM, MANAGEMENT PRESENTATIONS OR IN ANY OTHER FORM IN EXPECTATION OF THE CONTEMPLATED TRANSACTIONS, OTHER THAN IN THE CASE OF CLAUSE (B), TO THE EXTENT ANY SUCH INFORMATION, DATA OR MATERIAL IS ITSELF THE SUBJECT OF A REPRESENTATION OR WARRANTY CONTAINED IN THIS ARTICLE III (INCLUDING THE RELATED PORTION OF THE DISCLOSURE LETTER). SELLERS ACKNOWLEDGE AND AGREE THAT NONE OF BUYER OR ANY OTHER PERSON HAS MADE OR MAKES ANY REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, AT COMMON LAW OR OTHERWISE, WITH RESPECT TO BUYER EXCEPT AS SET FORTH IN ARTICLE IV.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF BUYER

Except as disclosed in the Aytu SEC Documents prior to the date hereof and that is reasonably apparent on the face of such disclosure to be applicable to the representation and warranty set forth herein (other than any disclosures contained or referenced therein under the captions “Risk Factors,” “Forward-Looking Statements,” “Quantitative and Qualitative Disclosures About Market Risk,” and any other disclosures contained or referenced therein of information, factors, or risks that are predictive, cautionary, or forward-looking in nature), Buyer hereby represents and warrants to Sellers as follows.

Section 4.1. Organization; Standing and Power; Charter Documents; Subsidiaries. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated and has all requisite corporate power and authority to own, lease, and operate its assets and to carry on its business as presently conducted except where the failure to be in good standing or have such power or authority, individually or in the aggregate, has not been and would not reasonably be expected to be material and adverse to Buyer, taken as a whole. Buyer is duly qualified or licensed to do business and is in good standing (in jurisdictions that recognize the concept of good standing) in each jurisdiction in which the character of the assets and properties owned, leased, or operated by it or the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed or to be in good standing individually or in the aggregate has not been and would not reasonably be expected to be material and adverse to Buyer. The copies of the certificate of incorporation and bylaws of Buyer as most recently filed with the Aytu SEC Documents are true, correct, and complete copies of such documents as in effect as of the date of this Agreement. Buyer is not in violation of any of the provisions of its certificate of incorporation or bylaws. All of the outstanding shares of capital stock of, or other equity or voting interests in, each Subsidiary of Buyer have been validly issued and are owned by Buyer, directly or indirectly, free of pre-emptive rights, are fully paid and non- assessable, and are free and clear of all Liens, including any restriction on the right to vote, sell, or otherwise dispose of such capital stock or other equity or voting interests, except for any Liens: (a) imposed by applicable securities Laws; or (b) arising pursuant to the organization, constituent or governing documents and/or instruments of any non-wholly-owned Subsidiary of Buyer. Except for the capital stock of, or other equity or voting interests in, its Subsidiaries, Buyer does not own, directly or indirectly, any capital stock of, or other equity or voting interests in, any Person.

Section 4.2. Authority; Noncontravention.

(a) Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the Related Documents, to perform its obligations thereunder, and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Related Documents by Buyer and the consummation by Buyer of the Contemplated Transactions have been duly authorized by all necessary corporate action on the part of Buyer and no other corporate proceedings on the part of Buyer are necessary to authorize this Agreement, the Related Documents or to consummate the Contemplated Transactions. Each of this Agreement and the Related Documents has been duly executed and delivered by Buyer and assuming the due authorization, execution and delivery by each Seller, constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization or similar Laws affecting the rights of creditors generally and the availability of equitable remedies.

(b) The execution, performance, and delivery of this Agreement and the Related Documents by Buyer do not, and the consummation of the Contemplated Transactions and compliance by Buyer with the provisions of this Agreement and the Related Documents will not, conflict with, or result in any violation or breach of, or default under (with or without notice or lapse of time, or both), or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien in or upon any of the properties or other assets of Buyer under (i) the certificate of incorporation or bylaws of Buyer, (ii) any Contract to which Buyer is a party or any of its respective properties or other assets is subject or (iii) any (A) statute, ordinance, rule, regulation or other Law applicable to Buyer or its properties or other assets or (B) Order applicable to Buyer or its properties or other assets, except in the cases of clauses (ii) and (iii), where the conflict, violation, breach, default, termination, cancellation, acceleration or creation of a Lien, individually or in the aggregate, would not reasonably be expected to prevent, materially impede or materially delay the consummation by Buyer of the Contemplated Transactions (including the payments required to be made pursuant to Article II).

(c) No consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Authority is required by or with respect to Buyer in connection with the execution, performance and delivery of this Agreement or any Related Document by Buyer or the consummation by Buyer of the Contemplated Transactions.

(d) The Board of Directors of Buyer, by resolutions duly adopted by a unanimous vote of disinterested directors at a meeting of all directors of Buyer duly called and held and, not subsequently rescinded or modified in any way, has approved and declared advisable this Agreement, including the execution, delivery, and performance thereof, and the consummation of the transactions contemplated by this Agreement, upon the terms and subject to the conditions set forth herein.

Section 4.3. Capital Resources; Solvency.

(a) Buyer has immediately available funds sufficient to consummate the Contemplated Transactions on the terms contemplated by this Agreement including the payment of all fees, expenses and obligations payable by Buyer in connection with the Contemplated Transactions.

(b) Immediately after giving effect to the Contemplated Transactions, Buyer fully expects to be solvent and shall: (i) be able to pay its debts as they become due and (ii) have adequate capital to carry on its business.

Section 4.4. Litigation. There is no Action pending or, to Buyer's Knowledge, threatened before any Governmental Authority, and there is no claim, investigation or administrative action of any Governmental Authority pending or, to Buyer's Knowledge, threatened, that if successful, would reasonably be expected to result in restraining, enjoining or otherwise preventing the completion by Buyer of the Contemplated Transactions. There is no outstanding Order of any Governmental Authority against Buyer that would reasonably be expected to result in restraining, enjoining or otherwise preventing the completion by Buyer of the Contemplated Transactions. To Buyer's Knowledge, there are no SEC inquiries or investigations, other governmental inquiries or investigations, or internal investigations pending or, to Buyer's Knowledge, threatened, in each case regarding any accounting practices of Buyer or any of its Subsidiaries or any malfeasance by any officer or director of Buyer.

Section 4.5. Brokers and Other Advisors. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission for which Sellers could become responsible in connection with the Contemplated Transactions based upon arrangements made by or on behalf of Buyer.

Section 4.6. SEC Filings; Financial Statements; Undisclosed Liabilities.

(a) SEC Filings. Buyer has timely filed with or furnished to, as applicable, the SEC all registration statements, prospectuses, reports, schedules, forms, statements, and other documents (including exhibits and all other information incorporated by reference) required to be filed or furnished by it with the SEC since June 30, 2020 (the "Aytu SEC Documents"). True, correct, and complete copies of all the Aytu SEC Documents are publicly available on the Electronic Data Gathering, Analysis, and Retrieval database of the SEC. As of their respective filing dates or, if amended or superseded by a subsequent filing prior to the date hereof, as of the date of the last such amendment or superseding filing (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), each of the Aytu SEC Documents complied as to form in all material respects with the applicable requirements of the Securities Act, the Exchange Act, and the Sarbanes-Oxley Act of 2002, and the rules and regulations of the SEC thereunder applicable to such Aytu SEC Documents. None of the Aytu SEC Documents, including any financial statements, schedules, or exhibits included or incorporated by reference therein at the time they were filed (or, if amended or superseded by a subsequent filing prior to the date hereof, as of the date of the last such amendment or superseding filing), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the Aytu SEC Documents is the subject of ongoing SEC review or outstanding SEC investigation and there are no outstanding or unresolved comments received from the SEC with respect to any of the Aytu SEC Documents. None of Buyer's Subsidiaries is required to file or furnish any forms, reports, or other documents with the SEC.

(b) Nasdaq Compliance. Buyer is in compliance with all of the applicable listing and corporate governance rules of Nasdaq, except for any non-compliance that would not reasonably be expected to have, individually or in the aggregate, an Aytu Material Adverse Effect.

Section 4.7. Listing and Maintenance Requirements. The Aytu Common Stock is registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and Buyer has taken no action designed to terminate the registration of the Aytu Common Stock under the Exchange Act nor has Buyer received any notification that the SEC is contemplating terminating such registration. Buyer has not, in the twelve (12) months preceding the date hereof, received notice from any Trading Market on which the Aytu Common Stock is or has been listed or quoted to the effect that Buyer is not in compliance with the listing or maintenance requirements of such Trading Market. Buyer is in compliance with all such listing and maintenance requirements. The Aytu Common Stock is currently eligible for electronic transfer through the Depository Trust Company or another established clearing corporation and Buyer is current in payment of the fees to the Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.

Section 4.8. Application of Takeover Protections. Buyer and the Board of Directors of Buyer have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar antitakeover provision under Buyer's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to Sellers as a result of Sellers and Buyer fulfilling their obligations or exercising their rights under the this Agreement and the Related Documents.

Section 4.9. No General Solicitation Neither Buyer nor any Person acting on behalf of Buyer has offered or sold any of the Earn-Out Shares by any form of general solicitation or general advertising. Assuming the accuracy of Sellers' representations and warranties under this Agreement, Buyer has offered the Earn-Out Shares for issuance only to Sellers.

Section 4.10. No Disqualification Events. With respect to the Earn-Out Shares to be issued hereunder in reliance on Rule 506 under the Securities Act, none of Buyer, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of Buyer, any beneficial owner of twenty percent (20%) or more of Buyer's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with Buyer in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). Buyer has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. Buyer has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to Sellers a copy of any disclosures provided thereunder.

Section 4.11. Private Placement. Assuming the accuracy of the Sellers' representations and warranties set forth in Article III, no registration under the Securities Act is required for the issuance of the Earn-Out Shares by Buyer to Sellers as contemplated hereby. The issuance and sale of the Earn-Out Shares hereunder does not contravene the rules and regulations of Nasdaq.

Section 4.12. Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the Purchased Assets and the Business and acknowledges that it has been provided access to the personnel, properties, assets, premises, books and records, and other documents and data of Sellers for such purpose. Buyer acknowledges and represents that in making its decision to enter into this Agreement and consummate the Contemplated Transactions, Buyer has relied solely on its own investigation and the express representations and warranties of Sellers set forth in this Agreement (including the Schedules to the Disclosure Letter) and Buyer is not relying on any representation or warranty, written or oral, statutory, express or implied, with respect to Sellers, the Purchased Assets, the Business or the Contemplated Transactions not expressly set forth in Article III (including any information, data or other materials (written or oral) heretofore furnished to Buyer and its Representatives by or on behalf of Sellers and any information, documents or material made available to Buyer in the Data Room, management presentations or in any other form in expectation of the Contemplated Transactions, other than to the extent any such information, data or material is itself the subject of a representation or warranty contained in Article III).

Section 4.13. No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV, neither Buyer nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Buyer.

ARTICLE V.

ADDITIONAL AGREEMENTS

Section 5.1. Confidentiality; Non-Competition.

(a) Confidentiality.

(i) Sellers, Brooke and Massari recognize that they possess information of a confidential, secret, or other non-public nature in both written and unwritten form, which has unique commercial value as related to the Business, the Product, or the Purchased Assets (hereinafter referred to as "Confidential Information"). For purposes of this Agreement, the foregoing "Confidential Information" (A) shall include each of the following, to the extent constituting a Purchased Asset: (1) any pre-clinical, clinical, development, prescription, or sales and marketing data for the Product; (2) trade secrets, processes, methods, data, know-how, prototypes, improvements, inventions, techniques, product plans, strategies and forecasts, including any development plans for the use of the Product; (3) forms, contracts or promotional materials created for or used in relation to the Product; (4) any non-public correspondence, memoranda or files to the extent related to the Product; and (5) any information, knowledge and data solely related to the Business or the Product and (B) shall not include any information that (1) is or becomes generally available to and known by the general public (other than as a result of a disclosure through the actions of Seller, Brooke or Massari or any of their respective Representatives in violation of this Section 5.1 or any other obligation of confidentiality owed to Buyer or any of its Affiliates), (2) is independently developed by a Seller, Brooke or Massari after the Closing without reference to the Confidential Information or any Purchased Assets or (3) any information, forms, contracts or other items to the extent they related to the Excluded Assets. Information that is not novel or copyrighted may nonetheless be Confidential Information.

(ii) Sellers, Brooke and Massari agree that, following the Closing, all Confidential Information shall be the sole property of Buyer and its assigns.

(iii) For a period of three (3) years after the Closing, each Seller, Brooke and Massari will, and will cause its Affiliates and Representatives to, keep in strict confidence all Confidential Information and will not use or disclose any Confidential Information or anything relating to it, in whole or in part, nor permit others to use or disclose it in any way, without the prior written consent of Buyer. Sellers, Brooke and Massari further agree to inform Buyer as promptly as practicable in writing in the event of any breach of this obligation of confidentiality that becomes known to a Seller, Brooke or Massari. Expiration of such confidentiality period will not be construed as granting (by implication or otherwise) to any Seller, Brooke or Massari any license or other rights under any Business Intellectual Property.

(iv) Notwithstanding anything contained in this Agreement to the contrary, Sellers, Brooke and Massari are permitted to disclose the Confidential Information pursuant to a court order or other requirement of a judicial, administrative or governmental proceeding, or otherwise to the extent required for Seller to comply with applicable Law, provided that, in each instance, the applicable Seller, Brooke or Massari (A) notifies Buyer of the court order or other requirement promptly after such Seller, Brooke or Massari, as applicable becomes aware of the court order or other requirement (unless such notification would be unlawful); (B) cooperates with Buyer in seeking a protective order or similar relief to protect the confidentiality of the information to be disclosed (in each case at the expense of Buyer); and (C) limits the disclosure to what is requested by the court order or other requirement.

(b) Non-Competition. Sellers, Brooke and Massari agree that:

(i) for a period commencing upon the Closing Date and ending three (3) years after the date hereof (the "Restricted Period"), neither none of any Seller, Brooke or Massari shall, alone or in conjunction with any Third Party, directly or indirectly, in North America, conduct human clinical studies with respect to, seek Regulatory Authorization for, manufacture, commercialize, or market any product that is the same as, substantially similar to, or competitive with any Competing Product; provided that Messrs. Brooke and Massari's activities in their capacity as employees of Buyer or its affiliates shall not be a violation of this Section 5.1(b)(i); provided, further than the Restricted Period shall terminate upon the consummation of a sale of all or substantially all of the rights to the Product to Sellers in accordance with Section 2.2(f), if such sale occurs prior to the termination of the Restricted Period. For purposes of the foregoing, "Competing Product" means: any therapeutic targeting the treatment of or treating Vascular Ehlers-Danlos Syndrome.

(ii) expiration of the Restricted Period will not be construed as granting (by implication or otherwise) to any Seller, Brooke or Massari any license or other rights under any Business Intellectual Property.

(c) Acknowledgments, Interpretation and Validity.

(i) Sellers, Brooke and Massari agree and acknowledge that the covenants in this Section 5.1 are reasonable and valid in all respects (including with respect to the subject matter, the Restricted Period and geographical area) and are necessary to protect the interests of Buyer in the Product, the other Purchased Assets and the Confidential Information, and such covenants represent only a limited restraint. Further, Sellers, Brooke and Massari acknowledge that, without the restrictions contained in this Section 5.1, the benefits of the Contemplated Transactions could be devalued, lost or circumvented, particularly in light of the nature and ongoing development of the Product, and that Buyer would not have entered into this Agreement without the restrictions contained in this Section 5.1.

(ii) Sellers, Brooke and Massari acknowledge and agree that the provisions of this Section 5.1 are necessary and reasonable to protect Buyer in the conduct of its business and are a material inducement to Buyer's execution and delivery of this Agreement and its willingness to enter into the Contemplated Transactions.

(iii) It is the desire and intent of the Parties that this Section 5.1 will be enforced to the fullest extent permissible under the Laws applied in each jurisdiction in which enforcement is sought. If any restriction set forth in this Section 5.1 is found by any court of competent jurisdiction to be unenforceable for any reason (*e.g.*, because it extends for too long a period of time, over too great a range of activities or in too broad a geographic area), this Section 5.1 shall be interpreted to extend over the maximum period of time, range of activities or geographic area as to which it may be enforceable. The agreements contained in this Section 5.1 shall each constitute a separate agreement independently supported by good and adequate consideration. For the avoidance of doubt, the Parties hereby acknowledge that Sellers, Brooke and Massari will benefit substantially from the consummation of the Contemplated Transactions and that the consideration that Sellers will receive upon such consummation is adequate to support Sellers' agreement to be bound by the covenants set forth herein.

(d) Remedies. In accordance with Section 7.8(c), Buyer will be entitled to injunctive or other equitable relief to enforce the provisions hereof, in addition to such other remedies to which Buyer may be entitled, including the recovery of money damages.

(e) Extensions of Limitations. If any Seller, Brooke or Massari violate any term or provision of this Section 5.1, the duration set forth in this Section 5.1 shall automatically be extended as against such Party for a period equal to the periods during which such Seller, Brooke or Massari, as applicable, shall have been in violation of this Section 5.1.

Section 5.2. Certain Tax Matters.

(a) Transfer Taxes. All recordation, transfer, documentary, excise, sales, value added, use, stamp, conveyance or other similar Taxes, duties or governmental charges (including penalties and interest), and all recording or filing fees or similar costs, imposed or levied by reason of, in connection with or attributable to this Agreement, the Related Documents or the Contemplated Transactions (collectively, "Transfer Taxes") shall be the borne and paid equally by Sellers and Buyer when due. Sellers shall timely file any Tax Return or other document with respect to such Transfer Taxes (and Buyer shall cooperate with respect thereto as necessary). Buyer and Sellers shall take all actions and make all filings as may be necessary to reduce the amount of Transfer Taxes pursuant to this Agreement, including, without limitation, by taking all actions necessary to qualify for any available exemptions.

(b) Allocation of Taxes.

(i) All ad valorem obligations levied with respect to the Purchased Assets for any Straddle Period (each an "Apportioned Obligation" and collectively, the "Apportioned Obligations") shall be apportioned between Sellers, on the one hand, and Buyer, on the other, on a per diem basis. Sellers shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Post-Closing Tax Period.

(ii) All Taxes levied with respect to the Purchased Assets (other than the Apportioned Obligations) for any Straddle Period ("Other Taxes") shall be allocated between the Pre-Closing Tax Period and the Post-Closing Tax Period as follows: (i) in the case of Taxes other than income Taxes (however denominated), sales and use Taxes, value added Taxes and withholding Taxes, such Taxes shall be allocated on a per diem basis, and (ii) in the case of income Taxes (however denominated), sales and use Taxes, value added Taxes and withholding Taxes, such Taxes shall be allocated based on the assumption that the taxable period ended on the day immediately before the Closing Date. Sellers shall be liable for all Other Taxes allocated to the Purchased Assets for the Pre-Closing Tax Period, and the Buyer shall be liable for all Other Taxes allocable to the Post-Closing Tax Period.

(c) Reimbursement. Apportioned Obligations, Other Taxes and Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable Law. The paying Party (if not specified as the responsible Party therefor) shall be entitled to reimbursement from the non-paying Party in accordance with Section 5.2(a) or Section 5.2(b), as the case may be. Upon payment of any such Apportioned Obligation, Other Taxes or Transfer Taxes, the paying Party shall present a statement to the non-paying Party setting forth the amount of reimbursement to which the paying Party is entitled under Section 5.2(a) or Section 5.2(b), as the case may be, together with such supporting evidence as is reasonably necessary to calculate the amount to be reimbursed. The non-paying Party shall make such reimbursement promptly but in no event later than 10 days after the presentation of such statement. For the avoidance of doubt, reimbursement for Transfer Taxes, Other Taxes or Apportioned Obligations shall be governed first by this Section 5.2(c) and, if unsatisfied, then pursuant to Article VI.

(d) Tax Withholding. The Parties agree that all payments under this Agreement will be made without any deduction or withholding for or on account of any Taxes or other amounts unless required by applicable Law. In the event Buyer determines that it is required under applicable Law to withhold and pay any Tax to the proper Taxing Authority in respect of any payments made to Sellers, the amount of such Tax shall be deducted by Buyer and paid to the relevant Taxing Authority, and Buyer shall notify Sellers thereof and shall promptly furnish to Sellers all copies of any Tax certificate or other documentation evidencing such withholding. Buyer shall not be required to pay any additional amounts to Sellers in respect of any amounts paid to any Taxing Authority pursuant to the immediately preceding sentence. The Parties agree to reasonably cooperate with each other, including by completing or filing documents required under the provisions of any applicable income Tax treaty or applicable Law, to claim any applicable exemption from, or reduction of, any such applicable Taxes. To the extent that any amounts are so deducted or withheld by Buyer from any payment hereunder to Sellers and properly remitted to the applicable Taxing Authority, such deducted or withheld amounts shall be treated for all purposes of this Agreement as having been paid to Sellers. In the event any such amounts are not or cannot be so deducted or withheld, Sellers will indemnify and promptly reimburse Buyer therefor upon reasonably satisfactory evidence of Buyer's payment of any such amount to the proper Taxing Authority, without regard to the limitations of Section 6.3 hereof.

(e) Cooperation and Exchange of Information. Sellers, on the one hand, and Buyer, on the other, shall (i) provide the other with such assistance as may reasonably be requested by the other Party in connection with the preparation of any Tax Return, audit or other examination by any Taxing Authority or Action relating to liability for Taxes in connection with the Purchased Assets or the Business, (ii) retain and provide the other with any records or other information that may be relevant to such Tax Return, audit or examination, Action or determination, and (iii) provide the other with any final determination of any such audit or examination, Action or determination that affects any amount required to be shown on any Tax Return of the other Party for any period.

(f) Tax Treatment of Payments. Unless otherwise required by a change in Law after the date hereof, or a final "determination" as defined in Section 1313(a) of the Code, Seller and Buyer shall treat any payment under Article VI as an adjustment to the Purchase Price for Tax purposes.

(g) Tax Clearance. If requested by Buyer, Sellers shall notify all Taxing Authorities in the jurisdictions that impose Taxes on Sellers or where Sellers have a duty to file Tax Returns of the transactions contemplated by this Agreement in the form and manner required by such Taxing Authorities, if the failure to make such notifications or receive any available Tax clearance certificate could subject the Buyer to any Taxes of Sellers. If any Taxing Authority asserts that any Seller is liable for any Tax attributable to a period prior to Closing, such Seller shall promptly pay any and all such amounts and shall provide evidence to the Buyer that such liabilities have been paid in full or otherwise satisfied.

(h) Wage Reporting. Sellers and Buyer shall use the standard procedure set forth in IRS Revenue Procedure 2004-53, 2004-2 C.B. 320 with respect to wage reporting for employees of Sellers or its Affiliates hired by Buyer for the year that includes the Closing; provided, however, that at Buyer's election, Sellers and Buyer shall use the alternate procedure set forth in IRS Revenue Procedure 2004-53.

Section 5.3. Public Announcements. Neither Buyer nor Sellers, nor any Affiliate of any Party, shall issue any press release or otherwise make any public statement with respect to the provisions of this Agreement or the Contemplated Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. If any Party proposes to issue a press release or make a public statement with respect to the Contemplated Transactions pursuant to this Section 5.3, it will provide copies of such press release or public statement to the other Party before such press release or public statement is made to allow the other Party to comment upon and agree on such press release or public statement, unless the provision of such press release or public statement to the other Party before such press release or public statement is made (or any delay in reaching agreement with respect thereto) would be in breach of any Law or the rules and regulations of any applicable securities exchange or Trading Market, in which case a copy of such press release or public statement will be provided to the other Party as soon as reasonably practicable or in accordance with such Law, rules or regulations.

Section 5.4. Access; Cooperation. From and after the Closing Date, Buyer shall provide Sellers and its Representatives with reasonable access (which shall not unreasonably interfere with the business of Buyer), upon reasonable written notice and during normal business hours, to the Books and Records and the right to make copies and extracts therefrom (subject to Sellers' obligations under Section 5.1), to the extent that such access may be reasonably required by Sellers or any of their Representatives (i) to facilitate the investigation, litigation and final disposition of any Third Party Claim the defense or opposition of which Seller has assumed pursuant to Section 6.4 (unless such Third Party Claim is the subject of a dispute between Buyer and Sellers or any of their respective Affiliates), (ii) in connection with the preparation of Sellers' Tax Returns or financial statements, or (iii) to comply with applicable Law (including any reporting obligations) or necessary for Buyer to be able to submit applicable Regulatory Authorizations. In addition, from and after the Closing Date, Sellers will use commercially reasonable efforts to provide, if requested by Buyer, a letter of authorization or reference to the FDA (or any other applicable Regulatory Authority) to allow Buyer to access or use any preclinical or clinical data described in a regulatory submission to support any of Buyer's regulatory submissions; provided that Sellers shall not be required to incur any fees or expenses in connection with using such commercially reasonable efforts to provide a letter of authorization or reference.

Section 5.5. Expenses. Except as expressly set forth herein, each of Sellers and Buyer shall bear its or their own costs and expenses incurred in connection with this Agreement and the Contemplated Transactions.

Section 5.6. Wrong Pockets. Subject to Section 2.6, for a period of up to 12 months after the Closing Date, if Buyer, on the one hand, or Sellers, on the other, becomes aware that any of the Purchased Assets have not been transferred to Buyer or that any of the Excluded Assets have been transferred to Buyer, it shall promptly notify the other Party, and the Parties hereto shall, as soon as reasonably practicable, ensure that such assets are transferred, at Sellers' expense and with any necessary prior Third Party consent or approval, to (a) Buyer, in the case of any Purchased Asset which was not transferred at the Closing; or (b) Sellers, in the case of any Excluded Asset which was transferred at the Closing.

Section 5.7. Further Assurances. Each Party shall, at any time and from time to time after the Closing Date, upon the request of the other Party, do, execute, acknowledge, deliver and file, or cause to be done, executed, acknowledged, delivered or filed, all such further acts, deeds, transfers, notices, instructions (including to customers, suppliers, vendors or other Third Parties), conveyances, assignments or assurances as may be reasonably required for the transferring, conveying, assigning and assuring to Buyer, or for the aiding and assisting in the reducing to possession by Buyer of, any of the Purchased Assets, or for otherwise carrying out the purposes of this Agreement and the Related Documents and the consummation of the Contemplated Transactions.

Section 5.8. Consents and Approvals; Reasonable Best Efforts.

Upon the terms and subject to the conditions set forth in this Agreement (including those contained in this Section 5.8), each of the Parties hereto shall, and shall cause its Affiliates to, use commercially reasonable efforts to promptly take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper, or advisable to consummate and make effective, and to satisfy all conditions to, the transactions contemplated by this Agreement, including: (i) the obtaining of all necessary permits, waivers, and actions or nonactions from Governmental Authorities and the making of all necessary registrations and filings (including filings with Governmental Authorities) and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Authority; and (ii) the obtaining of all necessary consents or waivers from Third Parties, including those set forth on Schedule 5.8 (the "Required Consents") and any additional instruments necessary to consummate the purchase and sale of the Purchased Assets and to fully carry out the purposes of this Agreement. The Sellers and Buyer shall, subject to applicable Law, promptly: (A) cooperate and coordinate with the other in the taking of the actions contemplated by clauses (i) and (ii) immediately above; and (B) supply the other with any information that may be reasonably required in order to effectuate the taking of such actions. Each Party hereto shall promptly inform the other Party or Parties hereto, as the case may be, of any communication from any Governmental Authority regarding any of the transactions contemplated by this Agreement.

ARTICLE VI.

INDEMNIFICATION

Section 6.1. Indemnification of Buyer Indemnified Parties. From and after the Closing, Sellers shall jointly and severally indemnify Buyer and its Affiliates and each of their respective officers, directors, employees, agents, successors, assigns and Representatives (each, a "Buyer Indemnified Party") against and hold each Buyer Indemnified Party harmless from any and all losses, damages, Liabilities, costs or expenses (collectively, "Losses"), that are suffered or incurred by such Buyer Indemnified Party, arising from, relating to or otherwise in connection with:

(a) any breach of or inaccuracy in any representation or warranty of Seller contained in this Agreement;

(b) any breach of or failure to perform any covenant or agreement of Seller contained in this Agreement;

(c) any Excluded Liability or Excluded Asset; or

(d) any breach by Brooke or Massari of the covenants set forth in Sections 2.3(e)(iv) or 5.1.

Section 6.2. Indemnification of Sellers Indemnified Parties. From and after the Closing, Buyer shall indemnify Sellers and their Affiliates and each of their respective officers, directors, employees, agents, successors, assigns and Representatives (each a "Sellers Indemnified Party") against and hold each Sellers Indemnified Party harmless from any and all Losses suffered or incurred by any such Sellers Indemnified Party arising from, relating to or otherwise in connection with:

(a) any breach of or inaccuracy in any representation or warranty of Buyer contained in this Agreement;

(b) any breach of or failure to perform any covenant or agreement of Buyer contained in this Agreement;

(c) any Assumed Liability; or

(d) any Liabilities arising out of Buyer's or its Affiliates' operation of the Purchased Assets after the Closing, excluding, for the avoidance of doubt, any Excluded Liabilities.

Section 6.3. Limitations.

(a) The amount of any Losses payable pursuant to this Article VI shall be reduced to reflect any amount actually recovered by the Indemnified Party from a Third Party, including any insurance provider (less the cost to collect or recover such amount), and Buyer shall use commercially reasonable efforts to pursue recovery from any applicable Third Party. If the Indemnified Party realizes any such amount after the date on which a payment pursuant to this Article VI has been made to the Indemnified Party, the Indemnified Party shall promptly make payment to the Indemnifying Party equal to such amount; provided that such payment shall not exceed the amount of the payment made to the Indemnified Party pursuant to this Article VI. For the avoidance of doubt, this Section 6.3(a) shall not be construed to apply to any amounts recovered from any self-insurance, captive insurance vehicle, or other similar arrangement.

(b) Notwithstanding anything in this Agreement to the contrary, none of Buyer or any Seller shall be liable for any punitive damages, except to the extent actually awarded in a Third Party Claim.

(c) The aggregate amount required to be paid by Sellers under Section 6.1 (the "Cap") shall not exceed the sum of (i) thirty-five percent (35%) of those Earn-Out Payments paid on or before the date such claim for indemnification is made and that are identified as "Escrow Applicable" on Schedule 2.2(a) and (ii) the full amount of any Earn-Out Payments to be made by Buyer after the date such claim for indemnification is made (against which Buyer shall be entitled to offset Losses in accordance with Section 6.5) (the "Future Earn-Out Payments"); provided, that in no event shall the Cap exceed thirty percent (30%) of the Maximum Earn-Out Payment, which amount, for the avoidance of doubt, shall equal $20,250,000. The aggregate amount required to be paid by Buyer under Section 6.2 shall not exceed the amount of the Maximum Earn-Out Payment.

(d) The representations, warranties, covenants and agreements contained herein shall survive the Closing. Indemnification obligations under Section 6.1 with respect to breaches of representations and warranties shall continue with respect to all representations and warranties set forth in Article III until the date that is two (2) years following the First Commercial Sale of the Product in any country (the "First Indemnity Expiration Date"), and indemnification obligations under Section 6.2 with respect to breaches of representations and warranties shall continue with respect to all representations and warranties set forth in Article IV, until the date that is two (2) years after the Closing Date; *provided however*, that with respect to the representations in Section 3.1, Section 3.2(a), Section 3.9, Section 3.12, Section 4.1, Section 4.2(a) or Section 4.5 (the "Fundamental Representations") the indemnification obligations shall continue for the applicable statute of limitations. The indemnification obligations under Section 6.1 and Section 6.2 with respect to breaches of covenants and agreements shall continue until the sixtieth (60th) day after the expiration of the applicable statute of limitations (taking into account any tolling periods or other extensions) bars any claims regarding a breach thereof. Notwithstanding anything to the contrary contained herein, if written notice of any claim for indemnification hereunder has been delivered in accordance herewith prior to the expiration of the applicable period set forth above, the indemnification obligations shall continue with respect to such claim until the final resolution and satisfaction of such claim in accordance with the provisions of this Article VI.

Section 6.4. Indemnification Claims.

(a) In order for a Buyer Indemnified Party (an "Indemnified Party") to be entitled to any indemnification provided for under Section 6.1 in respect of, arising out of or involving an Action initiated or commenced by or on behalf of a Third Party (a "Third Party Claim"), such Indemnified Party must notify Sellers (the "Indemnifying Party") in writing of the Third Party Claim (including in such notice a brief description of the applicable claim(s), including damages sought or estimated, to the extent actually known by such Indemnified Party) within twenty (20) Business Days after receipt by such Indemnified Party of actual notice of the Third Party Claim (or such earlier deadline as may be required to timely respond to the Third Party Claim); provided, however, that failure to give such notification shall not affect the indemnification provided under Section 6.1 except to the extent the Indemnifying Party has been actually prejudiced as a result of such failure. The Indemnifying Party shall have the right to undertake the defense or opposition to such Third Party Claim (at the Indemnifying Party's expense) with counsel selected by it and reasonably satisfactory to the Indemnified Party so long as (i) the Indemnifying Party gives written notice to the Indemnified Party within twenty (20) Business Days after it has been notified of the Third Party Claim that it will defend the Indemnified Party against such Third Party Claim, (ii) the Third Party Claim does not seek an injunction or other equitable relief against the Indemnified Party and does not relate to or arise in connection with any criminal proceeding, action, indictment, allegation or investigation, (iii) the Indemnified Party has not been advised in writing by outside counsel that a substantive legal conflict exists between the Indemnified Party and the Indemnifying Party in connection with conducting the defense of the Third Party Claim, and (iv) the Third Party Claim does not allege the infringement of the Intellectual Property Rights of any Person by the Indemnified Party. Neither the Indemnified Party nor the Indemnifying Party shall settle any Third Party Claim without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed); provided, that the Indemnifying Party may settle such Third Party Claim without the prior written consent of the Indemnified Party if (1) the claimant in such Third Party Claim provides to the Indemnified Party an unqualified release of such Indemnified Party from all liability in respect of such Third Party Claim, (2) such settlement does not involve any injunctive relief binding upon the Indemnified Party, (3) such settlement does not encumber any of the material assets of the Indemnified Party or impose any restriction or condition that would apply to or materially affect such Indemnified Party or the conduct of such Indemnified Party's businesses, and (4) such settlement does not involve any admission of liability or wrongdoing by the Indemnified Party.

(b) In order for an Indemnified Party to be entitled to any indemnification provided for under this Agreement other than in respect of, arising out of or involving a Third Party Claim, such Indemnified Party shall deliver written notice of such claim with reasonable promptness to the Indemnifying Party (including in such notice a brief description of the applicable claim(s), including damages in good faith sought or estimated, to the extent actually known by such Indemnified Party); provided, however, that failure to give such notification shall not affect the indemnification provided under Section 6.1 except to the extent the Indemnifying Party has been actually prejudiced as a result of such failure. If the Indemnifying Party does not respond within twenty (20) Business Days following its receipt of such notice, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 6.5. Escrow. To secure Sellers' indemnity obligations under Section 6.1, thirty- five percent (35%) of all Earn-out Payments that are identified as "Escrow Applicable" on Schedule 2.2(a) and that are made prior to the First Indemnity Expiration Date shall be held back or deposited in an account (the "Escrow Account") pursuant to an escrow arrangement to be set up following the date hereof (but prior to the payment of the first Earn-Out Payment that is identified as "Escrow Applicable" on Schedule 2.2(a)) on terms that are reasonably acceptable to both Buyer and Sellers. The costs if any of such escrow arrangement will be split evenly between Buyer on the one hand and Sellers on the other. Among other things, the escrow agreement will provide that any such escrowed amounts that have not been used to satisfy claims for indemnification of Losses payable pursuant to Section 6.1 shall be released to Sellers on the First Indemnity Expiration Date (less amounts claimed by Buyer as Losses as of such date in accordance with the requirements of this Article VI, which shall be held in the Escrow Account until such claims have been resolved).

Section 6.6. Offset; Sole Recourse. Buyer shall be entitled to offset any Losses payable pursuant to Section 6.1 that are determined to be payable by Sellers in accordance with this Agreement, against any amounts payable to Sellers or their assignee(s) under this Agreement, including but not limited to any Future Earn-Out Payments owed pursuant to Section 2.2. Buyer's sole recourse for any Losses payable pursuant to Section 6.1 that are determined to be payable by Sellers in accordance with this Agreement shall be against any amounts then available in the Escrow Account and pursuant to the above right of offset. For the avoidance of doubt, absent fraud and excepting amounts held in the Escrow Account, any Earn-Out Payments once paid to Sellers (or their assignee(s)) shall not be subject to recovery by Buyer.

Section 6.7. Exclusive Remedies. The Parties acknowledge and agree that after the Closing, the indemnification provisions of this Article VI shall be the sole and exclusive remedies of the Parties for any breach of the representations or warranties or nonperformance of or default under any covenants or agreements contained in this Agreement, except for any claim by Buyer against Brooke or Massari for a breach by such Person of Sections 2.2(e)(iv) or 5.1. Notwithstanding anything in this Agreement to the contrary, (a) nothing in this Agreement will operate to limit the common law liability of Sellers to Buyer, or of Buyer to Sellers, for fraud in the event any Seller or Buyer, respectively, is finally determined by a court of competent jurisdiction to have willfully and knowingly committed fraud against the Buyer or Sellers, respectively, with the specific intent to deceive and mislead the Buyer or Sellers, respectively, regarding the representations and warranties made in this Agreement or in any schedule, exhibit or certificate delivered pursuant to this Agreement, and (b) nothing herein shall limit any Party's right to seek and obtain equitable remedies under Section 7.8.

ARTICLE VII.

GENERAL PROVISIONS

Section 7.1. Rules of Construction. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and have together drafted this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

Section 7.2. Notices. All notices, requests, claims, demands and other communications hereunder shall be given (and shall be deemed to have been duly given upon receipt) by hand delivery, by prepaid overnight courier (providing written proof of delivery), by transmission-mail (with confirmation of transmission other than by means of an automatically-generated reply) or by certified or registered mail (return receipt requested and first class postage prepaid), addressed as follows (or at such other address for a Party as shall be specified by like notice):

if to Buyer, to:

Aytu BioPharma, Inc.
373 Inverness Parkway, Suite 206
Englewood, CO 80112
E-mail: josh.disbrow@aytubio.com
Attention: Joshua Disbrow, Chief Executive Officer

with a copy (which shall not constitute notice) to:

Dorsey & Whitney
111 S Main Street, Suite 2100
Salt Lake City, UT 84111
E-mail: taylor.nolan@dorsey.com
keller.troy@dorsey.com
Attention: Nolan Taylor and Troy Keller and if to Sellers, to:

Rumpus Therapeutics, LLC
624 Creek Lane
Flourtown, PA 19031
E-mail: topher@rumpustx.com; nate@rumpustx.com
Attention: Christopher Brooke and Nathaniel Massari

with a copy (which shall not constitute notice) to:

Ballard Spahr LLP
1735 Market Street 51st Floor
Philadelphia, Pennsylvania 19103-7599

Attention: John Devine
Email: devinej@ballardspahr.com

provided that any notice received at the addressee's location on any Business Day after 5:00 p.m. (addressee's local time) shall be deemed to have been received at 9:00 a.m. (addressee's local time) on the next Business Day.

Section 7.3. Consents and Approvals. For any matter under this Agreement requiring the consent or approval of a Party to be valid and binding on the Party, such consent or approval must be in writing.

Section 7.4. Counterparts. This Agreement may be executed in one or more counterparts (including by transmission-mail), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

Section 7.5. Entire Agreement; No Third Party Beneficiaries. This Agreement and the Related Documents constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement and the Related Documents. Except as provided in Article VI, this Agreement is for the sole benefit of the Parties hereto and is not intended to and does not confer upon any Person other than the Parties any legal or equitable rights or remedies.

Section 7.6. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the Parties without the prior written consent of the other Parties, and any assignment without such consent shall be null and void, except that Buyer may assign any or all of its rights and obligations under this Agreement (a) to any of its Affiliates or (b) to a Third Party successor to substantially all of the assets, product(s) or business of such Party to which this Agreement relates, whether in a merger, sale of stock, sale of assets (including through a spin-off or product divesture) or other transaction (a "Change of Control") without the consent of Sellers. No assignment pursuant to this Section 7.6 will relieve the assigning Party of its responsibility for the performance of any of its obligations hereunder to the extent not performed by the assignee. This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Section 7.7. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

Section 7.8. Enforcement.

(a) Each Party irrevocably submits to the exclusive jurisdiction of the Delaware Court of Chancery or in the event (but only in the event) that such court does not have subject matter jurisdiction, in any federal court within the State of Delaware, for the purposes of any suit, action or other proceeding arising out of this Agreement or the Contemplated Transactions. Each Party agrees to commence any such action, suit or proceeding either in the Delaware Court of Chancery or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in any federal court within the State of Delaware. Each Party further agrees that service of any process, summons, notice or document by the U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction in this Section 7.8. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the Contemplated Transactions in (x) the Delaware Court of Chancery, and (y) any federal court within the State of Delaware, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) EACH PARTY WAIVES ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY. Each Party (i) certifies that no representative, agent or attorney of the other Party has represented, expressly or otherwise, that such Party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other Party has been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 7.8(b).

(c) The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Delaware Court of Chancery, and any federal court within the State of Delaware, this being in addition to any other remedy to which they are entitled at law (subject to Section 6.6 or in equity and as further set forth in this Section 7.8).

Section 7.9. Severability. If any term or other provision of this Agreement or any Related Document is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement or such Related Document shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement or such Related Document so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 7.10. Amendment; Waiver. No modification, amendment or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the Party against whom enforcement of any such modification, amendment or waiver is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance by the other Parties with any representation, warranty, covenant, agreement or obligation contained herein. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. Neither the failure of any Party to enforce, nor the delay of any Party in enforcing, any condition or part of this Agreement at any time shall be construed as a waiver of that condition or part or forfeit any rights to future enforcement thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers hereunto duly authorized, all as of the date first written above.

BUYER:

AYTU BIOPHARMA, INC.

By: DocuSigned by: Joshua Disbrow DAE0F7411224421...

Name: Joshua Disbrow
Title: Chief Executive Officer

SELLERS:

RUMPUS VEDS LLC

By: C/M Brooke
Name: Christopher Brooke
Title: President

RUMPUS THERAPEUTICS LLC

By: C/M Brooke
Name: Christopher Brooke
Title: President

RUMPUS VASCULAR LLC

By: C/M Brooke
Name: Christopher Brooke
Title: President

C/M Brooke

CHRISTOPHER BROOKE

Nathaniel Massari

NATHANIEL MASSARI

[Signature Page to Asset Purchase Agreement]

Exhibit 10.7

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of March 19, 2021 by and between Aytu Bioscience, Inc., a Delaware corporation (the "Company"), and Gerald McLaughlin ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Bylaws (the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, as in effect on the date of this Agreement; provided, however, that no Person who is a director or officer of the Company shall be deemed an Affiliate or an Associate of any other director or officer of the Company solely as a result of his or her position as director or officer of the Company.

(b) A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "Beneficially Own" and have "Beneficial Ownership" of, any securities:

(i) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, Beneficially Owns (as determined pursuant to Rule 13d-3 of the Rules under the Exchange Act, as in effect on the date of this Agreement);

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has: (A) the legal, equitable or contractual right or obligation to acquire (whether directly or indirectly and whether exercisable immediately or only after the passage of time, compliance with regulatory requirements, satisfaction of one or more conditions (whether or not within the control of such Person) or otherwise) upon the exercise of any conversion rights, exchange rights, rights, warrants or options, or otherwise; (B) the right to vote pursuant to any agreement, arrangement or understanding (whether or not in writing); or (C) the right to dispose of pursuant to any agreement, arrangement or understanding (whether or not in writing) (other than customary arrangements with and between underwriters and selling group members with respect to a *bona fid*e public offering of securities);

(iii) which are Beneficially Owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing) (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting or disposing of any securities of the Company; or

(iv) that are the subject of a derivative transaction entered into by such Person or any of such Person's Affiliates or Associates, including, for these purposes, any derivative security acquired by such Person or any of such Person's Affiliates or Associates that gives such Person or any of such Person's Affiliates or Associates the economic equivalent of ownership of an amount of securities due to the fact that the value of the derivative security is explicitly determined by reference to the price or value of such securities, or that provides such Person or any of such Person's Affiliates or Associates an opportunity, directly or indirectly, to profit or to share in any profit derived from any change in the value of such securities, in any case without regard to whether (A) such derivative security conveys any voting rights in such securities to such Person or any of such Person's Affiliates or Associates; (B) the derivative security is required to be, or capable of being, settled through delivery of such securities; or (C) such Person or any of such Person's Affiliates or Associates may have entered into other transactions that hedge the economic effect of such derivative security;

Notwithstanding the foregoing, no Person engaged in business as an underwriter of securities shall be deemed the Beneficial Owner of any securities acquired through such Person's participation as an underwriter in good faith in a firm commitment underwriting.

(c) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person is or becomes the Beneficial Owner (as defined above), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, provided that a Change of Control shall be deemed to have occurred if subsequent to such reduction such Person becomes the Beneficial Owner, directly or indirectly, of any additional securities of the Company conferring upon such Person any additional voting power;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(c)(i), 2(c)(iii) or 2(c)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two- thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or successor entity) more than 50% of the combined voting power of the voting securities of the surviving or successor entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving or successor entity;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale, lease, exchange or other transfer by the Company, in one or a series of related transactions, of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

(d) "Corporate Status" describes the status of a person as a current or former director of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(e) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(f) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(g) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(h) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(i) "Person" shall mean (i) an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, a business trust, a government or political subdivision, any unincorporated organization, or any other association or entity including any successor (by merger or otherwise) thereof or thereto, and (ii) a "group" as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

(j) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as a director of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement, the Bylaws or otherwise; provided that the foregoing shall not apply to any personal or umbrella liability insurance maintained by Indemnitee;

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law, or from the purchase or sale by Indemnitee of such securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002 (“SOX”);

(c) indemnify or advance funds to Indemnitee for Indemnitee's reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by Indemnitee including any such reimbursements under Section 304 of SOX in connection with an accounting restatement of the Company;

(d) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors’ and officers’ liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses if it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that the same is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement, and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, (C) the Company shall not continue to retain such counsel to defend such Proceeding, or (D) a Change in Control shall have occurred, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). Without limiting the generality of the foregoing, the fact that an insurer under an applicable insurance policy delays or is unwilling to consent to such settlement or is or may be in breach of its obligations under such policy, or the fact that directors' and officers' liability insurance is otherwise unavailable or not maintained by the Company, may not be taken into account by the Company in determining whether to provide its consent. The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (y) if a Change in Control shall not have occurred: (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. The Company shall likewise cooperate with Indemnitee and Independent Counsel, if applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel and Indemnitee, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Company and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) Notwithstanding anything to the contrary contained in this Agreement, the determination of entitlement to indemnification under this Agreement shall be made without regard to the Indemnitee's entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof and the burden of persuasion by clear and convincing evidence to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) Indemnitee shall be deemed to have acted in good faith if Indemnitee's actions based on the records or books of account of the Company or any other Enterprise, including financial statements, or on information supplied to Indemnitee by the directors, officers, agents or employees of the Company or any other Enterprise in the course of their duties, or on the advice of legal counsel for the Company or any other Enterprise or on information or records given or reports made to the Company or any other Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or any other Enterprise. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. In addition, the knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 11(c) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. Upon request of Indemnitee, the Company shall also promptly provide to Indemnitee: (i) copies of all of the Company's potentially applicable directors' and officers' liability insurance policies, (ii) copies of such notices delivered to the applicable insurers, and (iii) copies of all subsequent communications and correspondence between the Company and such insurers regarding the Proceeding.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company or any delay in notification shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise, unless, and then only to the extent that, the Company did not otherwise learn of the Proceeding and such delay is materially prejudicial to the Company's ability to defend such Proceeding or matter; and, provided, further, that notice will be deemed to have been given without any action on the part of Indemnitee in the event the Company is a party to the same Proceeding.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Aytu Bioscience, Inc.
373 Inverness Parkway, Suite 206
Englewood, Colorado 80112

Attention: Josh Disbrow

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Partial Indemnity; Contribution. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion but not all of any particular amounts incurred by Indemnitee in respect of any Proceeding, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Monetary Damages Insufficient/Specific Enforcement. The Company and Indemnitee agree that a monetary remedy for breach of this Agreement may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm (having agreed that actual and irreparable harm will result in not forcing the Company to specifically perform its obligations pursuant to this Agreement) and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of a bond or undertaking.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

AYTU BIOSCIENCE, INC.

By: 

Name: Josh Disbrow
Title: Chairman & Chief Executive Officer

Gerald McLaughlin

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

AYTU BIOSCIENCE, INC.

By: _____
Name: Josh Disbrow
Title: Chairman & Chief Executive Officer

DocuSigned by:
53EB7ED5715E474...

Gerald McLaughlin

Exhibit 10.8

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of March 19, 2021 by and between Aytu Bioscience, Inc., a Delaware corporation (the "Company"), and Beth P. Hecht ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Bylaws (the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, as in effect on the date of this Agreement; provided, however, that no Person who is a director or officer of the Company shall be deemed an Affiliate or an Associate of any other director or officer of the Company solely as a result of his or her position as director or officer of the Company.

(b) A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "Beneficially Own" and have "Beneficial Ownership" of, any securities:

(i) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, Beneficially Owns (as determined pursuant to Rule 13d-3 of the Rules under the Exchange Act, as in effect on the date of this Agreement);

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has: (A) the legal, equitable or contractual right or obligation to acquire (whether directly or indirectly and whether exercisable immediately or only after the passage of time, compliance with regulatory requirements, satisfaction of one or more conditions (whether or not within the control of such Person) or otherwise) upon the exercise of any conversion rights, exchange rights, rights, warrants or options, or otherwise; (B) the right to vote pursuant to any agreement, arrangement or understanding (whether or not in writing); or (C) the right to dispose of pursuant to any agreement, arrangement or understanding (whether or not in writing) (other than customary arrangements with and between underwriters and selling group members with respect to a *bona fid*e public offering of securities);

(iii) which are Beneficially Owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing) (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting or disposing of any securities of the Company; or

(iv) that are the subject of a derivative transaction entered into by such Person or any of such Person's Affiliates or Associates, including, for these purposes, any derivative security acquired by such Person or any of such Person's Affiliates or Associates that gives such Person or any of such Person's Affiliates or Associates the economic equivalent of ownership of an amount of securities due to the fact that the value of the derivative security is explicitly determined by reference to the price or value of such securities, or that provides such Person or any of such Person's Affiliates or Associates an opportunity, directly or indirectly, to profit or to share in any profit derived from any change in the value of such securities, in any case without regard to whether (A) such derivative security conveys any voting rights in such securities to such Person or any of such Person's Affiliates or Associates; (B) the derivative security is required to be, or capable of being, settled through delivery of such securities; or (C) such Person or any of such Person's Affiliates or Associates may have entered into other transactions that hedge the economic effect of such derivative security;

Notwithstanding the foregoing, no Person engaged in business as an underwriter of securities shall be deemed the Beneficial Owner of any securities acquired through such Person's participation as an underwriter in good faith in a firm commitment underwriting.

(c) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person is or becomes the Beneficial Owner (as defined above), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, provided that a Change of Control shall be deemed to have occurred if subsequent to such reduction such Person becomes the Beneficial Owner, directly or indirectly, of any additional securities of the Company conferring upon such Person any additional voting power;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(c)(i), 2(c)(iii) or 2(c)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two- thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or successor entity) more than 50% of the combined voting power of the voting securities of the surviving or successor entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving or successor entity;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale, lease, exchange or other transfer by the Company, in one or a series of related transactions, of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

(d) "Corporate Status" describes the status of a person as a current or former director of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(e) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(f) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(g) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(h) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(i) "Person" shall mean (i) an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, a business trust, a government or political subdivision, any unincorporated organization, or any other association or entity including any successor (by merger or otherwise) thereof or thereto, and (ii) a "group" as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

(j) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as a director of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement, the Bylaws or otherwise; provided that the foregoing shall not apply to any personal or umbrella liability insurance maintained by Indemnitee;

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law, or from the purchase or sale by Indemnitee of such securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002 (“SOX”);

(c) indemnify or advance funds to Indemnitee for Indemnitee's reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by Indemnitee including any such reimbursements under Section 304 of SOX in connection with an accounting restatement of the Company;

(d) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses if it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that the same is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement, and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, (C) the Company shall not continue to retain such counsel to defend such Proceeding, or (D) a Change in Control shall have occurred, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). Without limiting the generality of the foregoing, the fact that an insurer under an applicable insurance policy delays or is unwilling to consent to such settlement or is or may be in breach of its obligations under such policy, or the fact that directors' and officers' liability insurance is otherwise unavailable or not maintained by the Company, may not be taken into account by the Company in determining whether to provide its consent. The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (y) if a Change in Control shall not have occurred: (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. The Company shall likewise cooperate with Indemnitee and Independent Counsel, if applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel and Indemnitee, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Company and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) Notwithstanding anything to the contrary contained in this Agreement, the determination of entitlement to indemnification under this Agreement shall be made without regard to the Indemnitee's entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof and the burden of persuasion by clear and convincing evidence to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) Indemnitee shall be deemed to have acted in good faith if Indemnitee's actions based on the records or books of account of the Company or any other Enterprise, including financial statements, or on information supplied to Indemnitee by the directors, officers, agents or employees of the Company or any other Enterprise in the course of their duties, or on the advice of legal counsel for the Company or any other Enterprise or on information or records given or reports made to the Company or any other Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or any other Enterprise. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. In addition, the knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 11(c) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. Upon request of Indemnitee, the Company shall also promptly provide to Indemnitee: (i) copies of all of the Company's potentially applicable directors' and officers' liability insurance policies, (ii) copies of such notices delivered to the applicable insurers, and (iii) copies of all subsequent communications and correspondence between the Company and such insurers regarding the Proceeding.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company or any delay in notification shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise, unless, and then only to the extent that, the Company did not otherwise learn of the Proceeding and such delay is materially prejudicial to the Company's ability to defend such Proceeding or matter; and, provided, further, that notice will be deemed to have been given without any action on the part of Indemnitee in the event the Company is a party to the same Proceeding.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Aytu Bioscience, Inc.
373 Inverness Parkway, Suite 206
Englewood, Colorado 80112

Attention: Josh Disbrow

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Partial Indemnity; Contribution. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion but not all of any particular amounts incurred by Indemnitee in respect of any Proceeding, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Monetary Damages Insufficient/Specific Enforcement. The Company and Indemnitee agree that a monetary remedy for breach of this Agreement may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm (having agreed that actual and irreparable harm will result in not forcing the Company to specifically perform its obligations pursuant to this Agreement) and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of a bond or undertaking.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

AYTU BIOSCIENCE, INC.

By: 

Name: Josh Disbrow
Title: Chairman & Chief Executive Officer

Beth P. Hecht

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

AYTU BIOSCIENCE, INC.

By: _____
Name: Josh Disbrow
Title: Chairman & Chief Executive Officer

Beth P. Hecht

Exhibit 10.9

TERMINATION AND TRANSITION AGREEMENT

This TERMINATION AND TRANSITION AGREEMENT (this "Agreement"), dated as of March 31, 2021 (the "Effective Date"), is executed by and among (i) Acerus Pharmaceuticals Corporation, a corporation incorporated under the laws of Canada ("Acerus") and Aytu BioPharma, Inc., a Delaware corporation ("Aytu", and together with Acerus, the "Parties"). Capitalized terms used but not defined herein shall have the meanings given to such terms in the License and Supply Agreement (as defined below).

RECITALS

WHEREAS, Acerus and Aytu are parties to that certain Amended and Restated License and Supply Agreement, effective as of July 29, 2019 (as amended or otherwise modified from time to time, the "License and Supply Agreement");

WHEREAS, effective as of Effective Date, the parties have agreed to terminate the License and Supply Agreement; and

WHEREAS, the Parties anticipate that Acerus will require certain services from Aytu, which services Aytu has agreed to conduct, for a period of time following the termination of the agreement to facilitate the transition of Product sales booking to Acerus.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which by this reference thereto are hereby incorporated into the body of this Agreement, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt, sufficiency and fairness of which are hereby acknowledged, the Parties agree as follows:

1. Termination; Related Matters.

(a) The Parties hereby agree to terminate the License and Supply Agreement in its entirety as of the Effective Date. As of the Effective Date, all rights and obligations of each Party under the Agreement shall cease (including all rights and licenses granted by either Party to the other Party thereunder except to the extent Aytu needs any such licenses to perform its obligations under Section 2 in which case such licenses shall cease as of the end of the Transition Period (as defined below)), and Aytu shall cease all sale, marketing and Promotion of Products in the Territory and shall have no further obligations thereafter to Commercialize Product in the Territory, except as set forth in this Agreement. The consequences of Termination as set forth in Section 14.3 of the License and Supply Agreement and the survival provisions set forth in Section 15.16 of the License and Supply Agreement are superseded by the terms of this Agreement; provided that Section 7.7(a), Section 9.1, Article 10, and Section 14.3(d) shall survive the termination of the License and Supply Agreement pursuant to this Agreement. For the avoidance of doubt, any Acerus Commission Payments due to Acerus for Product sales through and including the Effective Date shall be paid to Acerus in accordance with the terms of the License and Supply Agreement. At the end of the Transition Period, the Quality Agreement and the Safety Agreement will also be effectively terminated.

(b) In consideration for Aytu relinquishing its rights under the License and Supply Agreement, Acerus will pay Aytu an aggregate amount equal to Seven Million Five Hundred Thousand Dollars (US$7,500,000.00) in monthly installment payments (the "Termination Payments") equal to Two Hundred Fifty Thousand Dollars (US$250,000.00) per month for thirty (30) consecutive months with the first payment due on April 15, 2021 (the "Payment Period"); provided, that, in the event an Acerus Change of Control occurs during the Payment Period, all remaining and unpaid Termination Payments (including any outstanding and unpaid Late Payment Penalties and Late Payment Costs) shall become immediately due and payable immediately prior to the consummation of such Acerus Change of Control; provided further that, if Aytu brings a proceeding or action challenging the validity, scope, enforceability or ownership of any of the Acerus Patents or Acerus Trademarks (as defined in the License and Supply Agreement) prior to or during the Payment Period, Acerus shall have no further obligations to make any further Termination Payments and Aytu hereby agrees that such further Termination Payments would be automatically and irrevocably forfeited (it being understood, without limiting the generality of the foregoing, that Aytu specifically agrees that filing a request for re-examination, knowingly copying patent claims so as to institute an interference, or filing an opposition with respect to any of the Acerus Patents shall be deemed a challenge for the purpose of this Agreement). If Acerus fails to make any Termination Payment within fifteen (15) days of the date upon which such Termination Payment is due, then interest shall accrue on such payment on a daily basis from the date such payment was originally due at a rate equal to 10% per annum, or at the maximum rate permitted by applicable law, whichever is lower, and such interest shall be paid when such payment is made ("Late Payment Penalties"). Acerus shall also reimburse Aytu for all costs

incurred by Aytu in collecting any late payments, including reasonable attorneys' fees and reasonable court costs actually and properly incurred ("Late Payment Costs"). During the Payment Period, Acerus shall be in compliance with all obligations to Acerus' creditors as and when such obligations are due and owing in the ordinary course of Acerus' business. Acerus shall notify Aytu, in writing, immediately of any and all events that have had or may have a material adverse effect on Acerus' financial condition, including any sale, lease or exchange of a material portion of Acerus' assets, or the breach of any loan covenants or other material obligations of Acerus to its creditors.

For purposes of this Agreement, "Acerus Change of Control" shall mean (i) the closing of a merger, consolidation, liquidation or reorganization of Acerus into or with another company or other legal person, after which merger, consolidation, liquidation or reorganization the capital stock of Acerus outstanding prior to consummation of the transaction is not converted into or exchanged for or does not represent more than 50% of the aggregate voting power of the surviving or resulting entity; (ii) the direct or indirect acquisition by any person of more than 50% of the voting capital stock of Acerus, in a single or series of related transactions; or (iii) the sale, exchange, or transfer of all or substantially all of Acerus' assets.

(c) On the Effective Date, Acerus will repurchase all Product inventory (the "Repurchased Inventory") held by Aytu as of the Effective Date, such Repurchased Inventory as more fully described on Schedule A attached hereto. The purchase price for the Repurchased Inventory (the "Repurchase Price") shall be equal to approximately $138,144 (subject to change for additional orders placed prior to the Effective Date as provided in Schedule A). The Repurchase Price shall be paid no later than the end of the Transition Period (as defined below).

2. Transition Services. From the Effective Date until such date that Acerus is able to book Product sales without Aytu's assistance (but in no event later than July 31, 2021) (the "Transition Period"), Aytu will continue to perform all of its distribution related obligations under the License and Supply Agreement and shall use Commercially Reasonable Efforts to assist Acerus and book Acerus' sales of Product to Third Parties following the Effective Date ("Post- Effective Date Sales"). Within thirty (30) days following the end of the Transition Period, Aytu shall pay to Acerus an amount equal to gross sales less applicable deductions and direct costs pursuant to Schedule B attached hereto (the "Transition Payment") attributable to the Post- Effective Date Sales, as well as any final reconciliation amounts attributable to pre-Effective Date Sales, by wire transfer in immediately available funds to an account designated by Acerus. For the avoidance of doubt, upon payment of the Transition Payment, neither Aytu nor Acerus shall have any further payment obligations with respect to Post Effective Date Sales or pre-Effective Date sales, whether under this Agreement or under the License and Supply Agreement.

3. Representations and Warranties

(a) Each Party hereby represents and warrants to the other Party as follows, as of the Effective Date:

(1) it is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated;
(2) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder;
(3) it has taken all necessary corporate action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder and the consummation of the transactions contemplated hereby;
(4) this Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms;
(5) no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority, or any Third Party is required in connection with the execution, delivery and performance of this Agreement; and
(6) neither the execution and delivery of this Agreement, consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, will conflict with or result in a breach of any of the terms, conditions or provisions of such Party's organizational documents or any legal restriction or any agreement or instrument to such Party is a party or by which it is bound, or constitute a default or result in an acceleration under any of the foregoing.

(b) EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ARE MADE OR GIVEN BY OR ON BEHALF OF A PARTY, AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED.

(c) Aytu hereby represents and warrants to Acerus as follows, as of the Effective Date and as of the end of the Transition Period:

(1) it has not filed any patents or patent applications or any intellectual property of any kind that would claim Natesto®, and Aytu has not made any inventions that have not yet been filed but could be converted into intellectual property that would claim Natesto®, other than for those inventions, patent applications and intellectual property which have already been assigned to Acerus as of the Effective Date. Aytu hereby agrees that any such intellectual property and/or inventions that are not yet transferred to Acerus as of the end of the Transition Period are hereby automatically assigned to Acerus and that Aytu will take any and all steps, and will execute any and all documents required to give effect to the assignment of such intellectual property and/or inventions to Acerus promptly upon being requested to do so by Acerus;
(2) Aytu has not recorded any encumbrances against any of Acerus' intellectual property;Aytu has not received any written claims or notice of any challenges from any Third Party disputing the validity and enforceability of any of Acerus' intellectual Property;
(3) to the knowledge of Aytu, there are no threatened claims, interference, opposition or demand of any Third Party challenging the ownership, validity or scope of any of Acerus' intellectual property;
(4) Aytu has made all payments duly and properly owed to Acerus pursuant to the terms of the License and Supply Agreement other than for payment on account of the period from January 1, 2021 and onward, which payments will be made by Acerus in due course and in accordance with the License and Supply Agreement.

4. Indemnification; Releases.

(a) Indemnification by Aytu. Subject to Sections 4(c) and 4(d), Aytu shall indemnify, defend and hold Acerus, its Affiliates, and their respective directors, officers, employees consultants, contractors, licensees, sublicensees and agents (collectively, the "Acerus Indemnitees") harmless from and against any and all claims, suits, proceedings or causes of action (including, without limitation, in connection with any claim of property damage, bodily injury or death) ("Claims") brought by a Third Party against such Acerus Indemnitee, including any damages or other amounts payable to such Third Party, as well as any reasonable attorneys' fees and costs of litigation incurred as to any such Claim until the indemnifying Party has acknowledged that it will provide indemnification hereunder with respect to such Claim as provided below (collectively, "Damages"), in each case resulting from or based on: (a) any Promotion, sale, use, importation, storage, handling, distribution or offer for sale or sale of Product by Aytu or any of its Affiliates, licensees or sublicensees prior to the Effective Date pursuant to the License and Supply Agreement, (b) Aytu's breach of this Agreement or, prior to the Effective Date, the License and Supply Agreement; (c) breach of a contractual or fiduciary obligation owed by Aytu to a Third Party (including without limitation misappropriation of trade secrets); (d) the negligence or willful misconduct of, or violation of Applicable Law by Aytu, its Affiliates, licensees or sublicensees, or their respective employees, contractors or agents in the performance of this Agreement or, prior to the Effective Date, the License and Supply Agreement. The foregoing indemnity obligation shall not apply to the extent such Claims or Damages result from any matter for which Acerus is required to indemnify Aytu pursuant to this Agreement.

(b) Indemnification by Acerus. Subject to Sections 4(c) and 4(d) below, Acerus shall indemnify, defend and hold Aytu, its Affiliates, and their respective directors, officers, employees consultants, contractors, licensees, sublicensees and agents (collectively, the "Aytu Indemnitees") harmless from and against any and all Claims brought by a Third Party against such Aytu Indemnitee, including any Damages resulting therefrom, in each case to the extent resulting from or based on: (a) any development work (including pre-clinical, clinical, manufacturing, or quality- related) done by Acerus for Product; (b) any Promotion, sale, use, importation, storage, handling, distribution or offer for sale or sale of Product by Acerus or any of its Affiliates, licensees or sublicensees; (c) Acerus' breach of this Agreement or, prior to the Effective Date, the License and Supply Agreement; (d) the negligence or willful misconduct of, or violation of Applicable Law by, Acerus, its Affiliates, licensees or sublicensees, or their respective employees, contractors or agents in the performance of this Agreement, or, prior to the Effective Date, the License and Supply Agreement; (e) breach of a contractual or fiduciary obligation owed by Acerus to a Third Party (including without limitation misappropriation of trade secrets); (f) intellectual property infringement, trademark infringement, unfair competition, false designation of origin, trademark dilution, passing off or misappropriation related to the Acerus Intellectual Property, Acerus Trademarks, the Products, or any other property provided by Aytu under this Agreement or the License and Supply Agreement, including with respect to the development, Manufacture, use, sale, import, marketing or Promotion of Product; (g) any Acerus Manufacturing Defect; or (h) the use, development, Commercialization of the Product by or on behalf of Acerus by any Person other than Aytu. An "Acerus Manufacturing Defect" shall be a defect in the Manufacturing or other similar defect in Product where the Product (as manufactured by or for Acerus) is not Manufactured in accordance with the Specifications, the terms of this Agreement, the Regulatory Approval, Regulatory Requirements, and/or all other Applicable Laws. The foregoing indemnity obligation shall not apply to any Damages to the extent such Damages result from any matter for which Aytu is required to indemnify Acerus pursuant to this Agreement.

(c) Indemnification Procedures. A Party seeking indemnification under Section 4(a) or 4(b) hereof (the "Indemnitee") shall promptly notify the other Party (the "Indemnitor") in writing of any claim, lawsuit or other action in respect of which the Indemnitee, its Affiliates, or any of their respective directors, officers, employees and agents intend to claim such indemnification. The Indemnitee shall permit, and shall cause its Affiliates and their respective directors, officers, employees and agents to permit the Indemnitor to have complete control of such defense (except as set forth below) so long as it promptly assumes the defense and prosecutes the defense with appropriate diligence and care. The Party controlling the defense hereunder (the "Defending Party") shall have the authority, at its discretion, to settle any such claim, lawsuit or other action only with the prior written consent of the Party who is not controlling the defense (the "Non-Defending Party"); provided, however, that such consent shall not be unreasonably withheld, delayed or conditioned so long as such settlement contains an unconditional release of each Non-Defending Party and does not contain any admission of negligence, misconduct, liability or responsibility by or on behalf of any Non-Defending Party. The Defending Party and the Non- Defending Party, and their respective Affiliates, and their respective directors, officers, employees and agents shall cooperate fully with each other and their respective legal representatives in the investigation and defense of any claim, lawsuit or other action covered by this indemnification. The Defending Party shall keep the Non-Defending Party reasonably informed of the progress of the action and shall consider the comments and observations of the Non-Defending Party timely given in the course of the proceedings. If the Indemnitor is the Defending Party, the Indemnitee shall have the right, but not the obligation, to be represented by counsel of its own selection and expense. Notwithstanding the foregoing, the Indemnitee may be represented by separate counsel at the expense of the Indemnitor if a conflict of interest exists between the interests of the Indemnitor and Indemnitee so that a single counsel representing Indemnitor cannot adequately defend the rights of the Indemnitee.

(d) Survival of Indemnification Obligations. The provisions of this Section 4 shall survive the termination or expiration of this Agreement.

(e) Release

(1) Acerus, for itself and on behalf of its Affiliates, and each of their respective current or past directors, officers, stockholders, employees, agents, and insurers and their respective successors, heirs, assigns and representatives, or anyone claiming through any of the foregoing (collectively, the "Acerus Releasors"), hereby completely, irrevocably, fully, finally, and forever release, relinquish, waive and discharge Aytu and its Affiliates, and each of them, including their present and former parents, subsidiaries, predecessors, successors, assigns, and any of their respective current or past officers, directors, employees, agents, insurers, and their respective successors, heirs, assigns and representatives (collectively, the "Aytu Releasees"), of and from any and all liabilities, claims, actions, causes of action, judgments, demands, costs and expenses of any kind, whether known or unknown (collectively, "Losses"), that the Acerus Releasors, or any of them, had, has, may have or may ever claim to have against the Aytu Releasees, or any of them, under or directly or indirectly related to the License and Supply Agreement, based upon facts and circumstances arising or existing on or before the Effective Date; provided, however, that the foregoing release shall not extend to any Acerus Commission Payments owing to Acerus under the License and Supply Agreement immediately prior to the Effective Date, and (iii) any indemnity obligations under this Agreement.

(2) Aytu, for itself and on behalf of its Affiliates, and each of their respective current or past directors, officers, stockholders, employees, agents, and insurers and their respective successors, heirs, assigns and representatives, or anyone claiming through any of the foregoing (collectively, the "Aytu Releasors"), hereby completely, irrevocably, fully, finally, and forever release, relinquish, waive and discharge Acerus and its Affiliates, and each of them, including their present and former parents, subsidiaries, predecessors, successors, assigns, and any of their respective current or past officers, directors, employees, agents, insurers, and their respective successors, heirs, assigns and representatives (collectively, the "Acerus Releasees"), of and from any and all Losses that the Aytu Releasors, or any of them, had, has, may have or may ever claim to have against the Acerus Releasees, or any of them, under or directly or indirectly related to the License and Supply Agreement, based upon facts and circumstances arising or existing on or before the Effective Date; provided, however, that the foregoing release shall not extend to any indemnity obligations under this Agreement.

(3) Notwithstanding any provision of this Agreement to the contrary, nothing herein shall be deemed to (i) release, acquit or discharge any Acerus Releasee or any Aytu Releasee from its obligations (if any) under this Agreement or any claim arising from any breach of such obligations or (ii) otherwise limit or impair any obligation of any Acerus Releasee or any Aytu Releasee under this Agreement (including any indemnification obligation under Section 4(a) or 4(b), as applicable).

5. Miscellaneous Provisions. Article 10 (Confidentiality), Section 12.6, Section 12.7(b) Section 12.8, Section 13.5, Section 14.3(d) of the License and Supply Agreement shall apply to this Agreement *mutatis mutandis* and shall survive the termination or expiration of this Agreement indefinitely, except for Section 12.6 and 12.7(b) which shall survive until the expiration of the Payment Period.

6. Notices. Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted to be given to any Party shall be in writing and shall be deemed given only (a) when delivered to the Party personally, (b) five (5) days after sent to the Party by registered mail, return receipt requested, postage prepaid, (c) the second Business Day after sent by a nationally recognized courier service guaranteeing next-day or second-day delivery, charges prepaid, in each case addressed to the Party at its address set forth below, or (d) when transmitted as a PDF attachment to an e-mail (with response e-mail confirming receipt) and followed with a copy by first class certified or registered mail, postage prepaid, return receipt requested, or at such other address as such Party may from time to time specify by notice given in the manner provided herein to the Party entitled to receive notice hereunder:

For Acerus: Acerus Pharmaceuticals Corporation
2486 Dunwin Drive Mississauga, Ontario L5L 1J9
Attn: Chief Executive Officer
Email: egudaitis@aceruspharma.com

For Aytu: 373 Inverness Parkway, Suite 206
Englewood, CO 80112 USA Attn: Chief Executive Officer
E-mail: josh.disbrow@aytubio.com

7. Entire Agreement. This Agreement (including any Schedules other attachments hereto or thereto, as applicable) constitutes the entire agreement between the Parties with respect to the subject matter hereof, and no oral or written statement may be used to interpret or vary the meaning of the terms and conditions hereof.

8. Assignment. Neither Party may assign or otherwise transfer this Agreement without the prior written consent of the other Party; provided that, subject to Section 1(b), either Party may assign this Agreement without the consent of the other Party to any Affiliate or in connection with the acquisition of such Party or the sale of all or substantially all of the assets of such Party. Any assignment of this Agreement in violation of this Section 8 shall be null and void. Assignment of this Agreement by either Party shall not relieve the assignor of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

9. Independent Contractor. Each Party shall be acting as an independent contractor in performing under this Agreement and shall not be considered or deemed to be an agent, employee, joint venturer or partner of the other Party.

10. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

11. No Third Party Beneficiaries. Except as provided in Article 4 in respect to Acerus Indemnitees and Aytu Indemnitees, nothing in this Agreement, either express or implied, is intended to or shall confer upon any Third Party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

12. Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by authorized representatives of Aytu and Acerus.

13. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America (without giving effect to principles of conflicts of laws that would require the application of any other law) and the federal laws of the U.S., in each case without reference to choice of law rules. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan (and of the appropriate appellate courts therefrom) in any such proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding in any such court or that any such proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Party agrees that service of process on such Party as provided in this Section 12 shall be deemed effective service of process on such party.

14 No Waiver. The failure of either Party to enforce at any time for any period the provisions of or any rights deriving from this Agreement shall not be construed to be a waiver of such provisions or rights or the right of such Party thereafter to enforce such provisions.

15. Counterparts. This Agreement may be executed in one or more counterparts, and by the respective Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

16. Further Assurances. Each Party shall perform all further acts and things and execute and deliver such further documents as may be necessary or as the other Party may reasonably require to implement or give effect to this Agreement.

17. Press Release: The parties agree that each party's public announcement of the execution of this Agreement shall be approved by the other party, with such approval not to be unreasonably withheld, conditioned, or delayed, and the parties have cooperated in drafting their respective press releases and attached them hereto as Exhibit A and Exhibit B, respectively. Neither party shall make any other statement to the public regarding the execution and/or any other aspect of the subject matter of this Agreement, except: (i) where a party reasonably believes disclosure is required under applicable laws (including the rules and regulations of the United States Securities and Exchange Commission and the NASDAQ Stock Market), and (ii) either party may use the text of a statement previously approved by the other party.

18. No Disparagement. Acerus and Aytu agree not to disparage, defame, libel or slander the other or the other's products or their current or former shareholders, members, directors, managers, officers, employees, representatives or agents. Notwithstanding the foregoing, nothing in this Agreement shall preclude any employee, agent or representative of a Party from making truthful statements in compliance with applicable law, regulation or legal process.

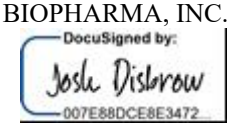
[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

ACERUS PHARMACEUTICALS CORPORATION

By: Name: Edward Gudaitis
Title: President & CEO

AYTU BIOPHARMA, INC.



By: Name: Josh Disbrow
Title: Chairman & CEO

Exhibit A

Aytu Press Release

Aytu BioPharma Divests U.S. Rights to Natesto® to Acerus Pharma

Strategic Transaction Provides $7.5M in Non-Dilutive Capital and Enables Pediatric and ADHD Product Focus Following the Recently Closed Merger with Neos Therapeutics

Englewood, CO, April 1, 2021 - Aytu BioPharma, Inc. (NASDAQ: AYTU) a specialty pharmaceutical company focused on commercializing novel therapeutics and consumer healthcare products, today announced the signing of an agreement with Acerus Pharmaceuticals Corporation (TSX: ASP, OTCQB: ASPCF) whereby Acerus will acquire all remaining rights to Natesto in the United States from Aytu. In consideration, Aytu will receive $7.5M in cash from Acerus, which is payable in $250,000 monthly payments over 30 months. Additionally, Acerus will assume all product responsibilities associated with Natesto following the April 1, 2021 effective date. Aytu will provide transition support to Acerus over a 120-day transition period.

"This strategic transaction is an important milestone for Aytu BioPharma as it solidifies our go- forward therapeutic focus on pediatric medicine and plan to become a leading specialty pediatrics company," said Josh Disbrow, Chief Executive Officer of Aytu BioPharma. He further commented, "In conjunction with finalizing and closing the merger with Neos Therapeutics, we conducted a strategic review of our legacy Rx business. Following that review, we believe focusing commercial efforts on our newly expanded portfolio of ADHD and pediatric products provides the best opportunity to increase shareholder value. As such we will deploy our resources and sales force accordingly against pediatricians and ADHD clinicians as the newly formed Aytu BioPharma." Along with receiving $7.5M in cash, Acerus will purchase all on-hand Natesto inventory from Aytu.

About Aytu BioPharma, Inc.
Aytu BioPharma is a specialty pharmaceutical company with a growing commercial portfolio of prescription therapeutics and consumer health products. The company's primary prescription products treat attention deficit hyperactivity disorder (ADHD) and other common pediatric conditions. Aytu markets ADHD products Adzenys XR-ODT® (amphetamine) extended-release orally disintegrating tablets (see Full Prescribing Information, including Boxed WARNING), Cotempla XR-ODT® (methylphenidate) extended-release orally disintegrating tablets (see Full Prescribing Information, including Boxed WARNING), and Adzenys-ER® (amphetamine) extended-release oral suspension (see Full Prescribing Information, including Boxed WARNING). The company's other pediatric products include Karbinal® ER (carbinoxamine maleate), an extended-release carbinoxamine (antihistamine) suspension indicated to treat numerous allergic conditions, and Poly-Vi-Flor® and Tri-Vi-Flor®, two complementary fluoride- based prescription vitamin product lines containing combinations of fluoride and vitamins in various formulations for infants and children with fluoride deficiency. The company's evolution has been driven by strategic in-licensing, acquisition-based transactions and organic product growth. As Aytu continues this trajectory, the company is building a complimentary therapeutic development pipeline that will address significant unmet needs. For more information, please visit aytubio.com.

Forward-Looking Statements

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 press release, 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. All statements other than statements of historical facts contained in this presentation, are forward-looking statements, including but not limited to any statements regarding future growth of the company's product offerings and expansion of its development and commercial pipeline. Please also refer to the risks described in "Risk Factors" in Part I, Item 1A of Aytu's Annual Report on Form 10-K and in the other reports and documents it files with the Securities and Exchange Commission.
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Contact for Media and Investors:
Sarah McCabe
Stern Investor Relations
sarah.mccabe@sternir.com

Exhibit B

Acerus Press Release

Acerus Buys Back All Remaining U.S. Rights for NATESTO® From Aytu

Acerus Assumes Full NATESTO Ownership from Aytu BioPharma, Accelerating Path to Becoming Fully Integrated Specialty Pharmaceutical Company

Toronto, Canada, April 1st, 2021 – Acerus Pharmaceuticals Corporation (TSX:ASP, OTCQB:ASPCF) ("Acerus" or the "Company"), a speciality pharmaceutical company focused on the commercialization of novel prescription products in Men's Health, today announced the signing of an agreement with Aytu BioPharma (f/k/a Aytu BioScience), whereby Acerus bought back all remaining rights to NATESTO in the

U.S. that were not already returned to Acerus as part of the 2019 Amended and Restated Agreement with Aytu. Acerus launched promotional efforts to key Urology and Endocrinology specialists in August of 2020. Following early growth in the specialty segment, assuming full ownership of NATESTO fulfills Acerus' mission to build and leverage a robust commercial business unit in the U.S.

Acerus has agreed to purchase these rights from Aytu for 7.5M USD, paid evenly over 30 monthly installments and will assume all product responsibilities following the effective date. Acerus expects these payments to be funded from net revenues generated by NATESTO. In addition to Acerus detailing to Specialty HCPs, Acerus will now gain full distribution rights and full reporting of net revenues. To ensure a smooth transition, Aytu has agreed to assist Acerus throughout a 120-day Transition period from the effective date. During this transition period, Aytu will continue to provide distribution of NATESTO under the terms of the existing License and Supply Agreement.

"Purchasing the full rights for NATESTO in the U.S. allows us to continue our transformation into becoming a leading innovative specialty pharmaceutical company", said Ed Gudaitis, President and Chief Executive Officer of Acerus. "Owning distribution in the U.S. is a key step in our transformation, providing us with the opportunity and flexibility to maximize the value and clinical differentiation of NATESTO."

About Acerus
Acerus Pharmaceuticals Corporation is a Canadian-based specialty pharmaceutical company focused on the commercialization and development of innovative prescription products that improve patient experience, with a primary focus in the field of men's health. The Company commercializes its products via its own salesforce in the United States and Canada, and through a global network of licensed distributors in other territories.

Acerus' shares trade on TSX under the symbol ASP and on OTCQB under the symbol ASPCF. For more information, visit www.aceruspharma.com and follow us on Twitter and LinkedIn.

Notice Regarding Forward-Looking Statements
Information in this press release that is not current or historical factual information may constitute forward looking information within the meaning of securities laws. Implicit in this information are assumptions regarding our future operational results. These assumptions, although considered reasonable by the company at the time of preparation, may prove to be incorrect. Readers are cautioned that actual performance of the company, including with respect to the commercial success of NATESTO in the U.S., is subject to a number of risks and uncertainties, and could differ materially from what is currently expected as set out above. For more exhaustive information on these risks and uncertainties you should refer to our annual information form dated March 10, 2021 which is available at www.sedar.com. Forward-looking information contained in this press release is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward- looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

Company Contact
ir@aceruspharma.com

Investor Relations Contact

Chris Witty
Acerus Investor Relations
(646) 438-9385
cwitty@darrowir.com

Schedule A

Schedule of Natesto Inventory at March 26, 2021

	Lot #	Expire Date	Location	3/26/2021	Cost Per Unit	Total Value
Natesto	0F1710	5/26/2023	Mckesson 3PL	4,434	$12.00	$53,226
Natesto	0F1710	5/26/2023	Woodfield 3PL	5,266	$12.00	$63,214
Natesto	0F1710	5/26/2023	Procare - Consignment Inventory	1,808	$12.00	$21,704
					Subtotal	$138,144

Note: the purpose of this Exhibit is to provide for the inventory on hand at March 26, 2021, in order to establish the general inventory levels as near as possible to the Effective Date. However, this is subject to change in the event customers order product between March 26, 2021 and the Effective Date.

Schedule B

Transition Period Settlement

Note: The purpose of this Schedule B is to define the calculation of the Transition Period payment contemplated in the Termination and Transition Agreement and any final reconciliation needed to be made on account of sales pre- Effective Date.

I. Amounts Owed to Aytu

Item #	Component	Amounts
		$
1	**3PL Fees** ● Aytu will allocate 20% of the 3PL fees until such time that Acerus is able to engage its own United States commercial presence with a Third-Party Logistic (3PL) provider, except 3PL fees occurring prior to the Effective Date. 3PL fees occurring prior to the Effective Date will be reimbursed pursuant to the terms of License and Supply Agreement.	[●]
2	**Return Deductions** ● All cash deductions taken by customers from returns of Natesto that impact Aytu BioPharma's collections, except return deductions occurring prior to the Effective Date. Return deductions occurring prior to the Effective Date will be reimbursed pursuant to the terms of License and Supply Agreement. ● Expected that this will decline over time upon Acerus engaging its own United States commercial presence with a Third-Party Logistic (3PL) provider.	[●]
3	**Aytu Legacy Coupon/Rebate Program** ● Charges related to Aytu legacy Coupon/rebate program, except charges occurring prior to the Effective Date. Aytu legacy Coupon/rebate program charges occurring prior to the Effective Date will be reimbursed pursuant to the terms of License and Supply Agreement. While Aytu will cease actively utilizing program coupons/rebates effectively immediately upon the effectiveness of this Termination and Transition Agreement, there will be the potential for a periodic charge related to the wind-down of these programs.	[●]
4	**Destruction Costs** ● Any Legacy destruction costs as Acerus works on engaging its own United States commercial presence with a 3PL, except destruction costs that relate to inventory not repurchased by Acerus at the Effective Date. Destruction costs that relate to inventory not repurchased by Acerus prior to the Effective Date will be reimbursed pursuant to the terms License and Supply Agreement.	[●]
5	**Any Other Costs Associated with Natesto** Any costs that are attributable to Natesto will be included in the net settlement calculation, and ● Aytu will provide support for any and all such costs, except other costs occurring prior to the Effective Date. Other costs occurring prior to the Effective Date will be reimbursed pursuant to the terms of License and Supply Agreement.	
	Total Owed by Acerus	$ [●]

II. Amounts owed to Acerus

Item #	Component	Amounts
1	**Net Cash collected on Natesto Sales** Total net cash collected by Aytu's 3PL from the payment of outstanding Natesto customer trade accounts receivable resulting from sales subsequent to the Effective Date. For greater certainty, net cash collected excludes collections on sales made prior to the Effective Date.	$ [●]
2	**Other Cash Collections** ● Any other potential cash collected by Aytu BioPharma, Inc. on behalf of Acerus. ● Not expected to be significant, and this is just to cover anything out of the ordinary.	[●]
3	**Acerus Legacy Coupon / Rebate program** ● Invoices submitted to Acerus for Coupons and Rebates post the Effective Date but occurring prior to the Effective Date will be reimbursed pursuant to the terms of License and Supply Agreement.	
	Total Owed by Acerus	$ [●]

Exhibit 10.10

CONFIDENTIAL SEPARATION & RELEASE AGREEMENT

This Separation Agreement ("Separation Agreement" or '·Agreement")is entered into by and between David A. Green ("you") and Aytu BioPharma, Inc. and its predecessors, successors, assigns, parents, affiliates, subsidiaries, and related companies (collectively "the Company").

WHEREAS, your employment with the Company will terminate effective as of the close of business on March 31, 2021; and

WHEREAS, you and the Company want to fully and finally settle all issues, differences, and claims, whether potential or actual, between you and the Company, including, but not limited to, any claims that might arise out of your employment with the Company or the termination of your employment with the Company;

NOW, THEREFORE, in consideration of the mutual promises contained in this Separation Agreement, you and the Company agree as follows:

1. TERMINATION OF EMPLOYMENT. You agree and acknowledge that your employment with the Company terminated at the close of business on March 31, 2021 (the "Termination Date"). You will be paid your regular salary through the Termination Date. Except as provided in this Separation Agreement, all privileges of employment will end as of the Termination Date. **Please note that you may not sign this Agreement until on or after your Termination Date.**

Uponyour **receipt** of your final paycheck, which includes payment for employment through your Termination Date, you will have received all wages owed to you by virtue of your employment with the Company or the termination thereof.

Upon your receipt $57,692 .00, less applicable deductions and withholdings, from the Company for your accrued but unused personal time off as of your Termination Date, you will have received all vacation benefits owed to you by virtue of your employment with the Company or the termination thereof and in accordance with Company policy and applicable law .

Upon your receipt of your remaining Cash Payment in Lieu of Equity in the amount of one hundred thirty thousand, four hundred sixty-twodollars and fifty cents ($130,462.50), as set forth in Section 3{e) of the Amendment to Employment Agreement, dated July 2, 2020, you will have received all cash payments owed to you by virtue of your Employment Agreement or Amendment to Employment Agreement, except as set forth in Section 2 of this Agreement.

If you are currently participating in any Company group health insurance plans, information regarding your right to elect COBRA coverage will be sent to you via separate letter.

You specifically acknowledge and agree that you are not eligible for any other payments or benefits by virtue of your employment with the Company or the tenn ination thereof except for those expressly described in this Agreement.

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2. CONSIDERATION. In consideration of your promises and obligations under this Separation Agreement -subject to the terms and conditions of this Separation Agreement, including the release of claims set forth in Section 3 below- the Company will provide you with the following compensation, provided that you timely sign and do not revoke this Separation Agreement:

(a) Separation Payment. Consistent with the December 18, 2017 Employment Agreement and the June 2, 2020 Amendment to the Employment Agreement, the Company will pay you one lump sum of$550,000.00, less applicable deductions and withholdings for state and federal taxes (the "Separation Payment"). The Separation Payment is comprised of $400,000 representing your annual base salary and $150,000representing your pro-rated annual bonus at the 50% target of your annual base salary. The Separation Payment will be paid to you on the first payroll date that begins 30 days after your Termination Date, provided you have timely signed and have not revoked this Separation Agreement as described below, and provided the Company has received all Company property from you, as set forth in Section 11. In the event the revocation period set forth in Section 5 has not yet expired within 30 days after your Termination Date, you will be paid within thirty (30) days after the expiration of the revocation period set forth in Section 5, provided you have timely signed the Agreement and the Company has received all Company property from you, as set forth in Section 11.

(b) Continued COBRA Coverage. Provided that you timely elect COBRA coverage after the Termination Date, the Company shall pay the monthly employer COBRA premiums for the same level of group health coverage as in effect on the Termination Date for the twelve (12) month period ("COBRA Coverage Period") following the Tennination Date, provided (i) that you sign this Agreement and do not revoke it; (ii) that you do not become eligible for group health coverage through other employment during the COBRA Coverage Period; and (iii) you remain eligible for COBRA health care coverage throughout the COBRA Coverage Period. The Company retains the right to terminate such payment of COBRA premiums on your behalf and instead pay you a lump sum amount equal to the COBRA premium times the number of months remaining in the specified period if the Company determines in its discretion that continued payment of the COBRA premiums is or may be discriminatory under Section 105(h) of the Internal Revenue Code. Notwithstanding the foregoing, for the period from April 1, 2021 through September 30, 2021, the Company's subsidy will equal 100% of the COBRA premium to the extent required by the American Rescue Plan Act.

(c) Merger Bonuses. In addition to the Separation Payment, the Company will pay you one lump sum of $100,000.00, less applicable deductions and withholdings for state and federal taxes ("Merger Cash Bonus"). The Merger Bonus will be paid to you on the first payroll date that begins 30 days after your Termination Date, provided you have timely signed and have not revoked this Separation Agreement as described below, and provided the Company has received all Company property from you, as set forth in Section 11. In the event the revocation period set forth in Section 5 has not yet expired within 30 days after your Termination Date, you will be paid within thirty (30) days after the expiration of the revocation period set forth in Section 5, provided you have timely signed the Agreement and the Company has received all Company property from you, as set forth in Section 11.

Initials

Furthennore, you will be granted a total of $100,000 worth of Company common stock ("Merger Stock Bonus"), which will immediately vest upon the expiration of the seven (7) day revocation period as set forth in Section 4, provided that you sign this Agreement and do not revoke it. The number of shares issued will be based on the closing share price the day immediately prior to the date this Agreement is executed. All shares granted to you hereunder are subject to Rule 144 transfer restrictions.

(d) Accelerated Vesting. Notwithstanding anything to the contrary in the applicable Option Agreement or Restricted Stock Agreement, and provided you sign and do not revoke this Separation Agreement, all vested stock options shall remain exercisable from the Termination Date until theexpiration date of the applicable award, and all options which are unvested as of the Termination Date shall be accelerated as of the date immediately following the expiration of the seven (7) day revocation period, as set forth in Section 4, and shall be deemed vested and immediately exercisable by you. Further, any issued restricted stock will immediately vest following the expiration of the seven (7) day revocation period as set forth in Section 4, provided that you sign this Agreement and do not revoke it. As of the Separation Date, the amount of stock options that will remain exercisable at a strike price of $14.50 is l 0,000 and the amount of restricted shares that will vest immediately following the expiration of the seven (7) day revocation period is 51,625.

You agree and acknowledge that the above Separation Payment, Continued COBRA Coverage, Merger Bonuses, and Accelerated Vesting (collectively, "Consideration Payments") are not otherwise owed to you absent your execution of this Separation Agreement.

3. RELEASE OF CLAIMS. You and the Company intend to settle any and all claims that you have or may have against the Company, including, but not limited to, any claims related to the Company's hiring you, your employment with the Company, and the termination of your employment with the Company. You agree that, in exchange for the Company's promises in this Separation Agreement, and in exchange for the consideration paid to you by the Company described above in Section 2, you, on behalf of your heirs, successors and assigns, hereby release and discharge the Company, as well as its officers, managers, members, insurers, agents and employees (the "Released Parties") from all liability for damages and from all claims-whether known or unknown- that you may have against the Released Parties occurring through the date you sign this Separation Agreement. Your release of claims is intended to extend to and includes, among other things, claims of any kind arising under or based upon the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act; the Worker Adjustment and Retraining Notification Act; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act; the Family and Medical Leave Act; the Employee Retirement Income Security Act; the Equal Pay Act; the Occupational Safety and Health Act; the Families First Coronavirus Response Act; the California COVID-19 Supplemental Paid Sick Leave Act, Cal. Lab. Code§§ 248-248.5, California Fair Employment and Housing Act, Cal. Gov't. Code§§ 12900-12996; Unruh Civil Rights Act, Cal. Civ. Code§§ 51- 52 (prohibiting discrimination based on marital status, sexual orientation, and other types of discrimination that may also be covered by the Fair Employment and Housing Act); Cal. Code Regs., tit. 2, § 11036 (prohibits harassment because of pregnancy); California Equal Pay Act, Cal. Lab. Code § 1197.5 (equal pay); Cal. Lab. Code§§ 110 2.5- 1106 (whistleblower protection for public and private employees); Cal. Lab. Code § 98.6 (whistleblower protection for reporting Labor Code violations); Cal. Lab. Code § 6310 (whistleblower protections for reporting safety/health violations); California Family Rights Act, Cal. Gov't Code §§ 12945.2, 19702.3 (family leave); Cal. Lab. Code §§ 233-234 (family leave/sick leave); Healthy Workplaces, Healthy Families Act of 2014, Cal. Lab. Code§§ 245- 249 (sick leave}; Pregnancy Disability Leave, Cal. Code Regs., tit. 2, § 11042 (four month leave requirement for employees that are disabled because of pregnancy); New Parent Leave Act, Cal. Gov't Code, sec. 2, § 12945.6, sec. 3, § 12945.6 (effective Jan. 1, 2020); Cal. Elec. Code§§ 14000 et seq. (voting leave); Cal. Lab. Code§ 230 (no adverse employment action for jury duty or for complying with subpoena); the Private Attorney General Act, Cal. Lab. Code§§ 2698-2699 et seq.; California Notice of Mass Lay-off, Relocation and Tennination laws, Cal. Lab. Code§§ 1400-1408; California AIDS Testing and Confidentiality Law, Cal. Health & Safety Code§§ 120980, 121025; California Confidentiality of Medical Infonnation Act, Cal. Civ. Code§ 56 et seq.; the California Labor Code, including but not limited to Cal. Lab. Code§ 201-2699.5 et seq.; the California Business & Professions Code; Colorado Anti-Discrimination Act, Colo. Rev. Stat. §§ 24-34-40 I to -406; Colo. Rev. Stat. §§ 8-5-101 to -105; Colo. Rev. Stat.§§ 24-114-101 to -103; Colo. Rev. Stat.§ 13-71-126; Colo. Rev. Stat.§ 1-7-102; Colo. Rev. Stat.§ 24-34-402.5; and any other federal, state, or local law, rule, or regulation prohibiting employment discrimination or otherwise relating to employment; and any claims based upon any other theory, whether legal or equitable, arising from or related to any matter or fact arising out the events giving rise to this Separation Agreement occurring through the date you sign this Separation Agreement.

Initials

You also agree and understand that you arc giving up any and all other claims-known or unknown- whether grounded in contract or tort theories, including but not limited to: wrongful discharge; breach of contract; tortious interference with contractual relations; claims for unpaid compensation; claims for punitive damages or attorneys' fees; promissory estoppel; detrimental reliance; breach of the implied covenant of good faith and fair dealing; breach of express or implied promise; breach of manuals or other policies; breach of fiduciary duty; assault; battery; fraud; false imprisonment; invasion of privacy; intentional or negligent misrepresentation; defamation, including libel, slander, discharge defamation and self-publication defamation; discharge in violation of public policy; whistleblowcr; intentional or negligent infliction of emotional distress; or any other theory, whether legal or equitable.

You understand that nothing contained in this Separation Agreement, including, but not limited to, this Section 3, will be interpreted to prevent you from filing a charge with the Equal Employment Opportunity Commission ("EEOC"}, the Occupational Safety and Health Administration ("OSHA"), the National Labor Relations Board ("NLRB") or other local civil rights enforcement agency, or from participating in or cooperating with an EEOC or other such agency investigation or proceeding. Furthennore, you understand that under the U.S. Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made in confidence to government officials, either directly or indirectly, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding, provided such filing is made under seal. Nothing in this Separation Agreement shall prohibit or restrict you from cooperating and/or testifying fully and truthfully in any action, proceeding (actual or threatened), or regulatory matter before any tribunal, governmental agency, or regulatory body or from initiating communications directly with, responding to any inquiry from, or providing testimony before, the SEC, FINRA, any state or federal regulatory authority, or any other self-regulatory organization regarding any matter. You agree, however, to waive the right to receive future monetary recovery directly from the Released Parties, including payments that result from any complaints or charges that you file with any governmental agency or that are filed on your behalf. This Separation Agreement does not limit your right to receive an award for information provided to any government agencies.

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Notwithstanding any provision of this Separation Agreement to the contrary, by execution of this Separation Agreement, you are not releasing (i) any claims or rights you may have to the Consideration Payments; (ii) any rights you may have to vested retirement benefits; or (iii) any claims that cannot be waived by law.

4. SECTION 1542 OF THE CALIFORNIA CIVIL CODE. You expressly waive and relinquish all rights and benefits afforded by section I 542 of the civil code of the State of California, and do so understanding and acknowledging thesignificance and consequences of such specific waiver. Section 1542 of the Civil Code of the State of California states as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETILEMENT WITH THE DEBTOR OR RELEASED PARTY.

Accordingly, you knowingly, voluntarily and expressly waive any rights and benefits arising under Section 1542 of the California Civil Code and any other statute or principle of similar effect.

5. RIGHT TO REVOKE. You are hereby informed of your right to revoke your release of claims, insofar as it extends to potential claims under the Age Disc rimination in Employment Act, by informing the Company of your intent to do so within seven (7) calendar days following your signing of this Separation Agreement. You understand that any such revocation must be made in writing and delivered by hand or by certified mail, return receipt requested, postmarked on or before the last day within the applicable revocation period to:

Minda Carmann
373 Inverness Parkway, Suite 206
Englewood, CO 80112 USA

If you exercise your right to revoke any portion of your release of claims, the Company may, at its option, either nullify this Separation Agreement in its entirety, or keep it in effect in all respects other than as to that portion of your release of claims that you have revoked. You agree and understand that if the Company chooses to nullify the Separation Agreement in its entirety, the Company will have no obligations under this Separation Agreement.

Initials

6. TIME TO ACCEPT. You will have forty-five (45) days from March 31, 2021, the date on which you received this Separation Agreement, to consider whether to sign it. You may, however, sign this Separation Agreement sooner, if you voluntarily choose to do so, but in no event may this Separation Agreement be signed before your Tennination Date. Changes to this Separation Agreement, whether material or immaterial, will not restart the 45-day consideration period. During this time, the Company advises you to consult with an attorney of your choice. To receive the consideration described in Section 2, you must sign this Separation Agreement and return the signed original by close of business on May 14, 2021 to:

Minda Carmann
373 Inverness Parkway, Suite 206
Englewood, CO 80112 USA

7. RECEIPT OF DISCLOSURES. You agree and acknowledges that information regarding the group of employees covered by the March 2021 Reductio n, as defined in Exhibit A, of which his termination is a part, and the job titles and ages of the individuals selected for the March 2021 Reduction, has been provided to you in the document attached hereto as Exhibit A.

8. NO RECOGNITION OF WRONGDOING. The signing of the Separation Agreement and payment of the consideration described in it do not represent any admission of wrongdoing or violation of any statute, agreement, or common law by the Company.

9. NON-DISPARAGEMENT & CONTINUING OBLIGATIONS. You agree that, except in the context of an EEOC or other government agency investigation or proceeding, in compelled sworn testimony, or as otherwise required by law, you will not make critical, disparaging or defamatory comments in any respect regarding the Company or its predecessors, successors, assigns, parents, affiliates, subsidiaries, and related companies, and/or their officers, directors, shareholders, agents, employees, and insurers; nor will you make any comments concerning the conduct or events which precipitated the termination of your employment. Nothing in this paragraph is intended to, or does, limit your right to communicate with the EEOC or any other local civil rights enforcement or other government agency. You further agree that all post-employment confidentiality, non-competition, and/or non-solicitation restrictions contained in any prior agreements you entered into with the Company are ongoing and will continue in full force and effect after the tennination of your employment regardless of whether you elect to sign this Separation Agreement, including continuing obligations contained in your July 2, 2018 Employment Agreement.

10. CONFIDENTIALITY. The parties intend that this Separation Agreement be confidential. You warrant that you have not disclosed, and agree that you will not in the future disclose, the tenns of this Separation Agreement, or the terms of the consideration to be paid hereunder, to any person other than your attorney , spouse, tax advisor, or representatives of the EEOC or a comparable state agency, all of whom shall be bound by the same prohibitions against disclosure as bind you, and you shall be responsible for advising these individuals of this confidentiality provision and obtaining their commitment to maintain such confidentiality. You shall not provide or allow to be provided to any person this Separation Agreement, or any copies thereof, nor shall you now or in the future disclose in any way any information concerning any purported claims, charges, or causes of action against the Company to any person, with the sole exception of communications with your spouse, attorney, tax advisor, or representatives of the EEOC or other government agency, unless otherwise ordered to do so by a court or agency of competent jurisdiction. If ordered to do so, you will first provide the Company with an opportunity to oppose orseek confidential treatment of the Confidential lnfonnation at issue and will undertake reasonable measures to preserve the confidentiality of such infonnation (including, but not limited to, designating such information as "confidential" and seeking an appropriate protective order) prior to disclosure. Nothing in this paragraph is intended to, or does, limit your right to communicate with the EEOC or any other local civil rights enforcement or other government agency without seeking pennission from the company.

Initials:

11. RETURN OF PROPERTY. You acknowledge and affinn that you have returned and do not retain in any form or format, all Company documents, data, and other property in your possession or control except as indicated on Exhibit B. Company "documents, data, and other property" includes, without limitation , any computers, tablets, fax machines, ce11 phones, access cards, keys, reports, manuals, records, product samples, inventory, correspondence and/or other documents or materials related to the Company's business that you have compiled, generated or received while working for the Company, including all copies, samples, computer data, disks, or records of such material. After returning these documents, data, and other property you have permanently deleted from any electronic media in your possession, custody, or control (such as computers, cell phones, hand-held devices, back-up devices, zip drives, PDAs, etc.), or to which you have access (such as remote e-mail exchange servers, back-up servers, off-site storage, etc.), all documents or electronically stored images of the Company, including writings, drawings, graphs, charts, sound recordings, images, and other data or data compilations stored in any medium from which such information can be obtained.

Furthermore, you agree to promptly provide the Company with a list of any documents that you created or are otherwise aware to be password protected and the password(s) necessary to access such password protected documents.

The Company's obligations under this Separation Agreement are contingent upon you returning all Company documents, data, and other property as set forth above.

12. EMPLOYEE ACKOWLEDGMENTS, REPRESENTATIONS, AND WARRANTIES. You represent and warrant that you have received any and all wages, accrued vacation pay, and/or commissions for work perfonned (including any overtime compensation) and any and all FMLA leave to which you may have been entitled. You, on your own behalf and on behalf of your agents, representatives, successors or assigns, further acknowledge, certify, and agree that the Consideration Payments set forth herein constitute consideration above and beyond any and all payment due and owing to you for any and all purported wages or other compensation owed in connection with your employment with the Company or with the separation thereof. You further represent and warrant that you are not aware of any facts or circumstances that might justify a claim against the released parties for any violation of the Family and Medical Leave Act ("FMLA"), the Fair Labor Standards Act ("FLSA"), the Families First Coronavirus Response Act ("FFCRA") or comparable state statutes. You further acknowledge and warrant that you do not have any workplace injuries for which you intend to file a workers' compensation claim against the Company or any Released Party.

Initials

13. COOPERATION. For a period of three (3) months following the Tennination Date, you agree to be reasonably available and cooperate with the Company and its counsel in connection with any reasonable requests for assistance regarding matters relating to your employment with the Company. You understand and agree that such cooperation includes, but is not limited to, reasonably making yourself available to the Company and/or its counsel to answer questions and provide infonnation regarding your employment with the Company, as well as Company processes, employees, operations, and past practices.

You further agree to be available to and cooperate with the Company and its counsel in connection with any investigation, administrative proceeding or litigation relating to any matter, occurring during your employment, in which you were involved or of which you have knowledge. You understand and agree that such cooperation includes, but is not limited to, reasonably making yourself available to the Company and/or its counsel upon reasonable notice for interviews and factual investigations; appearing, at the Company's sole expense, to give testimony without requiring service of a subpoena or other legal process; volunteering to the Company or its counsel pertinent infonnation; and turning over all relevant documents which are or may come into your possession, at the Company's sole expense. You agree that, in the event you are subpoenaed by any person or entity to give testimony (in a deposition, court proceeding or otherwise) which in any way relates to your employment with the Company, you will give prompt notice of such request to Aytu BioPharma, Inc., Attn: Joshua Disbrow, 373 Inverness Parkway, Suite 206, Englewood, CO USA 80112, and will make no disclosure until the Company has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure. Notwithstanding the foregoing, nothing in this paragraph or in this Agreement shall prohibit or restrict you from cooperating and/or testifying fully and truthfully in any action, proceeding (actual or threatened,)or regulatory matter before any tribunal, governmental agency, or regulatory body or from initiating communications directly with, responding to any inquiry from, or providing testimony before, the SEC, FINRA, any state or federal regulatory authority, or any other self-regulatory organization regarding any matter. This Agreement does not limit your right to receive an award for infonnation provided to any government agencies.

Initials

14. COMPLIANCE WITH SECTION 409A OF THE INTERNAL REVENUE CODE. If any compensation or benefits provided by this Agreement may result in the application of section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), the Company shall, in consultation with you, modify the Agreement in the least restrictive manner necessary in order to exclude such compensation from the definition of "deferred compensation" within the meaning of such Section 409A of the Internal Revenue Code or in order to comply with the provisions of Section 409A of the Internal Revenue Code, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and without any diminution in the value of the payments to Employee. Any payments that qualify for the "short-term" deferral exception under Treasury Regulations Section I.409A-l(b)(4), the "separation pay" exception under Treasury Regulations Section 1.409A-l (b)(9)(iii) or any other exception under Section 409A of the Internal Revenue Code will be paid under the applicable exceptions to the greatest extent possible. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Internal Revenue Code. Anything in this Agreement to the contrary notwithstanding, if at the time of your separation from service within the meaning of Section 409A of the Internal Revenue Code, you are considered a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Internal Revenue Code, and if any payment that you become entitled to under this Agreement is considered deferred compensation subject to interest, penalties and additional tax imposed pursuant to Section 409A of the Internal Revenue Code as a result of the application of Section 409A(a)(2)(B)(i) of the Internal Revenue Code, then no such payment shall be payable prior to the date that is the earlier of (i) six months and one day after your separation from service or (ii) your death. In no event shall the Termination Date of your employment be deemed to occur until you experience a "separation from service" within the meaning of Section 409A of the Internal Revenue Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the Tennination Date. All reimbursements provided under this Agreement shall be provided in accordance with the requirements of Section 409A of the Internal Revenue Code, including, where applicable, the requirement that (a) the amount of expenses eligible for reimbursement during one calendar year will not affect the amount of expenses eligible for reimbursement in any other calendar year; (b) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred; and (c) the right to any reimbursement will not be subject to liquidation or exchange for another benefit. If any payment that you become entitled to under this Agreement is considered deferred compensation subject to interest, penalties and additional tax imposed pursuant to Section 409A of the Internal Revenue Code, you understand and agree that you shall be responsible for any and all such interest, penalties and additional tax.

15. CONTROLLING LAW. This Separation Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without regard to the State's conflicts laws.

16. VENUE. The parties agree that any and all legal actions or proceedings brought to interpret or enforce this Separation Agreement, or in any other way arising out of or in relation to this Separation Agreement, shall be brought exclusively in the state or federal courts in California and hereby consent to the jurisdiction of such courts for any such action and further waive any objection to the convenience of the forum or venue.

Initials

17. ASSJGNABILITY. You understand and agree that this Separation Agreement is personal to you. The duties, rights, and obligations set forth herein may not be delegated or assigned by you to any other person without prior written consent of the Company. The Company's rights and obligations hereunder may be assigned to any successor following a sale of the Company, the Company's assets, or any other transaction involving a change in control.

18. WAIVER. Either party's failure to exercise, or delay in exercising, any right, power, or privilege under this Separation Agreement shall not operate as a waiver; nor shall any single or partial exercise of any right, power, or privilege under this Separation Agreement preclude any other or further exercise of such right, power, or privilege.

19. ENTIRE AGREEMENT. This Separation Agreement, including all exhibits referenced herein, contains all understandings and agreements between you and the Company with respect to the subject matter of this Separation Agreement. Any change or addition to this Separation Agreement must be in writing and signed by you and the Company.

20. EQUITABLE MODIFICATION/SEVERABILITY. If any portion of this Agreement is held invalid by operation of law, it shall be modified to the extent required to render it enforceable. If modification is not permitted by law, the invalid provision shall be struck and the remaining terms of this Agreement shall not be affected, provided, however, that if the releases in Section 3 of this Agreement are held invalid, the Company shall have the right to seek rescission of this Agreement.

21. EMPLOYEE ACKNOWLEDGEMENT. You agree and acknowledge that you have received and read this Separation Agreement, that the provisions of this Separation Agreement are understandable to you, and that you fully appreciate and understand the meaning of the terms of this Separation Agreement and their effect.

You agree that no promise or inducement has been offered except as set forth in this Separation Agreement, and that you are signing this Separation Agreement without reliance upon any statement or representation by the Company or any representative or agent of the Company except as set forth in this Separation Agreement.

YOU AGREE AND ACKNOWLEDGE THAT YOU HAVE BEEN PROVIDED WITH A REASONABLE AND SUFFICIENT PERIOD OF FORTY-FIVE (45) DAYS WITHIN WHICH TO CONSIDER WHETHER OR NOT TO ACCEPT THIS SEPARATION AGREEMENT, AND WE ADVISE YOU IN WRITING OF YOUR RIGHT TO CONSULT WITH AN ATTORNEY FOR ADVICE IN CONNECTION WITH THIS SEPARATION AGREEMENT PRIOR TO SIGNING THE SEPARATION AGREEMENT. YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE ENTERED INTO THIS SEPARATION AGREEMENT FREELY AND VOLUNTARILY.

PLEASE READ CAREFULLY BEFORE SIGNING. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

(Sig11at11re Page to Follow.]

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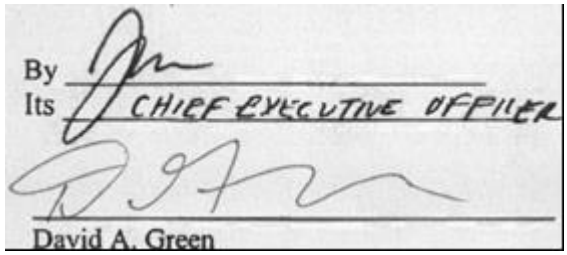
IN WITNESS WHEREOF, the parties have executed this Separation Agreement by their signatures below.

AYTU BIOPHARMA, INC.

Dated: *Yμ/u*



Dated: *1/* f?*{* 2-/

Initials*v*:***IJM*** *Mz*

EXHIBIT A

These disclosures are provided to you in accordance with the Older Worker Benefits Protection Act. Effective March 31, 2021, Aytu BioPhanna, Inc. ("Company") is minimizing redundancies caused by the recent acquisition of Neos Therapeutics, Inc., and, as a result, must eliminate some positions. The Company refers to this job elimination program as the "March 2021 Reduction." The March 2021 Reduction will affect employees who worked in the following decisional units as of March 31, 2021: Aytu-Neos Initial Integration Phase Executive Management Group .

Your position in the Aytu-Neos Initial Integration Phase Executive Management Group Decisional Unit is being eliminated as part of the March 2021 Reduction.

To assist employees in transitioning to new employment, all employees who are terminated as part of the 2021 Reduction are eligible for separation benefits, as described in each employee's Separation Agreement.

Employees were selected for termination based on one or more of the following criteria: (1) the Company's current and forecasted business need for the position; (2) the redundancies of the position within the Company post-acquisition; (3) the ability of other employees to assume those skills and job duties within their office or sales region.

To accept the separation benefits described in your individual Separation Agreement, you must sign your Separation Agreement and return it to the Company within *45* days of receiving the Separation Agreement. Once the signed Separation Agreement is returned to the Company, you have 7 days to rescind (that is, cancel) the Separation Agreement, as it relates to claims under the Age Discrimination in Employment Act and the Older Workers Benefit Protection Act.

The list set forth below shows the job titles and ages of all individuals in your decisional unit, the Aytu-Neos Initial Integration Phase Executive Management Group Decisional Unit, whose positions will be eliminated as part of the March 2021 Reduction, along with the job titles and ages of individuals in the that decisional unit whose positions will not be eliminated.

Please review this information and your Separation Agreement carefully. You are encouraged to consult with legal counsel prior to signing the Separation Agreement.

Initials: ***/}/JI)*****DM**
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AYTU-NEOS INITIAL INTEGRATION PHASE EXECUTIVE MANAGEMENT GROUP DECISIONAL UNIT

The list set forth below includes the job titles and ages of all individuals in the Decisional Unit who were and were not selected for tennination.

Title	Selected for Termination	Age as of March 31, 2021
Senior Vice President, General Counsel & Corporate Secretary	Yes	51
Chief Executive Officer	Yes	53
Chief Financial Officer - Aytu	Yes	58
Chief Financial Officer - Neos	No	62

Initials :

EXHIBIT B

1. Apple laptop computer
2. iPad
3. HP inkjet printer

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Exhibit 10.11

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

WHEREAS, Joshua R. Disbrow ("Disbrow" or "Employee") and Aytu BioPharma, Inc. (the "Company") are parties to an Employment Agreement dated April 16, 2019 (the "Employment Agreement");

WHEREAS, on March 14, 2021 the Company's Compensation Committee an Equity Compensation Grant of Restricted Shares equal to three percent (3%) of Aytu's issued and outstanding stock as of the earlier of sixty days from the closing of the Neos merger and, if closed, the closing of the Rumpus Therapeutics asset purchase.

WHEREAS, the Compensation Committee further approved modifying the terms of Disbrow's Severance Payment in his Employment Agreement;

THEREFORE, Disbrow and the Company agree that the Employment Agreement shall be modified as specifically set forth in this Amendment, but except as specifically modified herein, shall remain in full force and effect as written:

1. All capitalized but undefined terms in this Amendment shall have the meanings ascribed to them in the Employment Agreement.

2. This Second Amendment shall constitute an extension of the Term of the Employment Agreement as set forth in Section 1 of the Employment Agreement. As a result, the Term shall run twenty-four (24) months from the date of this Second Amendment.

3. Section 3(c) is amended to include:

> In addition to grants previously awarded, the Company shall grant Employee restricted stock equal to 3% of the Company's issued and outstanding stock upon the closing date of the Neos Therapeutics, Inc. and Aytu asset purchase transaction ("Closing Date"), with vesting and other terms set forth the Restricted Stock Agreement attached as Exhibit A to this Amendment. The Company may, in the future, grant Employee an additional 2% of the Company's issued and outstanding stock (as determined upon the Closing Date), subject to vesting based on Employee performance standards that shall be established by the Compensation Committee within six months of the Closing Date. An additional two percent (2%) of Aytu's issued and outstanding stock will be issued in the form of additional restricted stock upon the achievement of goals as detailed in Exhibit A to this Employment Agreement ("Disbrow Goals"). Such issuance of the additional 2% of shares will be issued as a percentage of the issued and outstanding stock as of the date the Company's Compensation Committee agrees the Disbrow Goals have been achieved.

4. Section 7(e)(ii)(A) is replaced as:

> (A) A lump sum payment equal to two and one half (2.5) times his Base Salary in effect at the date of termination, less applicable deductions and withholdings.

4. Section 8(b) is replaced as:

(b) Definitions. For purposes of this paragraph 8, the following terms shall have the following meanings:

"Change in Control," also referred to as a "Sale Event" in the Company's Restricted Stock Award Agreement, shall mean any of the following:

(i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity; or

(ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction; or

(iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert; or

(iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of a the acquisition of securities directly from the Company.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to Employment Agreement to be executed as of the Effective Date.

Dated: _____

DocuSigned by:
Josh Disbrow
DAE0F7411224421...

Joshua R. Disbrow, CEO

Aytu BioPharma, Inc.

Dated: _____

DocuSigned by:
Mike Macaluso
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By: Mike Macaluso
Its: Chair of the Compensation Committee

Exhibit A

Disbrow Goals to Earn Additional 2% Restricted Stock

1. Submit enzastaurin/Rumpus asset IND to FDA

2. Generate $20M in quarterly revenue

3. Successful integration of Neos Therapeutics and Rumpus Therapeutics

4. Refinance Deerfield debt

Exhibit 10.12

EMPLOYMENT AGREEMENT

This Employment Agreement (the "*Agreement*"), is effective as of April 12, 2021 (the "*Effective Date*"), between Aytu BioPharma, Inc., a Delaware corporation headquartered at 373 Inverness Parkway, Suite 206, Englewood, CO 80112 USA (hereinafter referred to as the "*Company*"), and Nathaniel Massari ("*Executive*").

RECITALS

WHEREAS, the Company is a duly organized Delaware corporation, with its principal place of business within the State of Colorado, and is in the business of developing and marketing pharmaceuticals, medical devices, and other healthcare products; and

WHEREAS, the Company desires Executive's experience, skills, abilities, background and knowledge, and is willing to engage Executive's services on the terms and conditions set forth in this Agreement; and

WHEREAS, Executive desires to be in the employ of the Company, and is willing to accept such employment on the terms and conditions set forth in this Agreement; and

WHEREAS, this Agreement shall replace and supersede in its entirety any prior employment agreements or understandings between Executive and the Company and/or Executive and Rumpus VEDS LLC, a Delaware limited liability company, Rumpus Therapeutics LLC, a Delaware limited liability company, and/or Rumpus Vascular LLC, a Delaware limited liability company (the "*Rumpus Entities*") (the above-referenced agreements hereinafter referred to as "*Prior Agreements*").

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment by the Company, upon the terms and conditions set forth in this Agreement for the period beginning on the Effective Date and ending on the date described in Section 4(a) (the "*Employment Period*"). Notwithstanding anything herein to the contrary, if the proposed transaction between the Company and the Rumpus Entities referenced in the February 22, 2021 Exclusivity Agreement (the "*Proposed Transaction*") is terminated prior to the occurrence of the transaction Closing (as such term is defined in the Proposed Transaction) thereunder, then this Agreement automatically shall terminate and be of no further force or effect.

2. Position and Duties.

(a) During the Employment Period, Executive shall serve as Executive Vice President of Rare Disease Operations, and in connection therewith, Executive shall render such administrative, financial and other executive and managerial services to the Company and have the responsibilities and authority which are consistent with Executive's position, subject to the power and authority of the Company's Chief Executive Officer and/or Board of Directors of the Company (the "*Board*") to expand or limit such duties, responsibilities, functions and authority.

(b) Executive shall report to the Chief Executive Officer (or such other person as shall be designated by the Board). Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a diligent, trustworthy, businesslike and efficient manner. Executive shall devote Executive's full business time, energies and attention (except for permitted vacation periods and periods of illness or other temporary incapacity) to the business and affairs of the Company. So long as Executive is employed by the Company, Executive shall not without the prior written consent of the Board, accept other employment or perform other services for compensation or that interfere with Executive's employment with the Company; *provided*, *however*, that Executive may serve as an officer or director of or otherwise participate in purely educational, welfare, social, religious and civic organizations so long as such activities are not in competition with the Company or do not interfere with Executive's ability to carry out Executive's duties under this Agreement.

(c) Executive shall comply with all lawful rules, policies, procedures, regulations and administrative directions now or hereafter reasonably established by the Board for employees of the Company.

3. Salary and Benefits.

(a) Salary. During the Employment Period, the Company shall pay Executive a base salary at the annual rate of three hundred sixty thousand dollars and zero cents ($360,000.00), payable in regular installments in accordance with the Company's usual payment practices subject to required withholdings and taxes (the "*Salary*"). Executive may receive increases in Executive's Salary to the extent such an increase is approved in the sole discretion of the Board and any such increased Salary will be considered the "Salary" for purposes of Executive's bonus target under Section 3(b).

(b) Bonus. With respect to each fiscal year during the Employment Period, Executive is eligible to receive an annual bonus of up to 40% of Executive's Salary, as determined by the Board and in the Board's sole discretion.

(c) Benefits. During the Employment Period, Executive shall be entitled to five weeks of paid vacation annually, paid holidays, and to participate in all employee benefit plans of the Company, including without limitation all health insurance plans, retirement plans (including 401(k)), life insurance plans and other perquisite plans and programs (collectively, the "*Benefit Plans*") for which employees of Executive's rank in the Company are generally eligible, in each case consistent with the Company's then-current practice as approved by the Board from time to time. The foregoing shall not be construed to require the Company to establish such Benefit Plans or to prevent the modification or termination of such Benefit Plans once established, and no such action or failure thereof shall affect this Agreement. Executive recognizes that the Company and its affiliates have the right, in their sole discretion, to amend, modify or terminate any Benefit Plans.

(d) Restricted Stock Grant. On the date of Closing, the Company shall grant to Executive a restricted stock grant of five hundred thousand dollars ($500,000.00) worth of Company common stock, which will vest over a three (3) year period of employment with the Company in equal yearly tranches. The restricted stock grant shall be governed by the terms of the Company's standard Restricted Stock Agreement, a copy of which is attached as Exhibit A to this Agreement.

(e) Waiver of Rights in Prior Agreements. In consideration of the covenants contained herein, including the terms set forth in this Section 3, the receipt and sufficiency of which is hereby acknowledged, Executive waives any and all rights to wages, commissions, bonuses and / or benefits earned or accrued that otherwise might be due under any Prior Agreements including, but not limited to, accrued vacation time set forth in Executive's prior employment agreement with Company.

(f) Business Expenses. During the Employment Period, the Company shall reimburse Executive for all reasonable business expenses incurred by Executive in the course of performing Executive's duties under this Agreement; *provided* such expenses are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses. As a condition to being issued such reimbursements, Executive shall submit to the Company on a timely basis business expense reports, including substantiation in accordance with the Company's policy as in effect from time to time. For purposes of compliance with Code Section 409A (as defined in Section 23): (i) all expenses or other reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive, (ii) any such right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit and (iii) no such reimbursement, expenses eligible for reimbursement or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year in accordance with the terms and conditions of the Company's 2015 Stock Option and Incentive Plan and accompanying applicable award agreements.

4. Employment Period.

(a) The Employment Period shall begin on the Effective Date and shall continue for two years or until Executive's employment hereunder is terminated in accordance with this Section. After the initial Employment Period, Executive's employment shall thereafter renew only upon mutual agreement between Company and Executive.

(b) The Employment Period and Executive's employment hereunder (i) shall terminate upon Executive's death or permanent disability or incapacity, (ii) may be terminated by the Company at any time with or without Cause (as defined in Section 4(f)), and (iii) may be terminated by Executive at any time with or without Good Reason.

(c) If Executive's employment hereunder is terminated by the Company for Cause or by the Executive without Good Reason during the Employment Period, then Executive shall be entitled to receive only Executive's accrued, unpaid Salary, and paid time off, if any, that has accrued in accordance with Company policy through the effective date of Executive's termination of employment (the "*Termination Date*"), and any reimbursements owed for business expenses validly incurred on or prior to the Termination Date and reimbursable in accordance with Section 3(f) and any accrued but unpaid benefits due and owing to Executive under the Benefit Plans (collectively, the "*Accrued Obligations*").

(d) If Executive's employment hereunder is terminated without Cause by the Company or for Good Reason (as defined below) by the Executive during the Employment Period, then Executive shall be entitled to receive the Accrued Obligations. In addition, if Executive (1) timely signs and does not revoke a general release of claims against the Company and its affiliates on a form to be provided by the Company, containing terms similar to past practice of the Company for comparable circumstances, and (2) complies with the terms of this agreement, including the obligations set forth in Section 5 and Section 6, Executive shall also be entitled to receive the following:

(i) Severance Payment. A severance payment in an amount equal to twelve (12) months of Executive's Salary, payable in twelve equal installments over the twelve months following the Termination Date, subject to applicable federal and state withholdings.

(ii) Continued COBRA Coverage. Continued participation (via state or federal insurance continuation laws such as COBRA, to the extent available and provided Executive timely elects such coverage) in the health and welfare plans provided by the Company to Executive at the time of termination for a period of twelve (12) months from the date of termination or, if earlier, until he is eligible for comparable coverage with a subsequent employer. The Company agrees to reimburse the Executive for the same employer portion of the continuation premium as the Company had paid immediately prior to the termination. Executive shall give the Company prompt notice of his eligibility for comparable coverage.

(e) If Executive's employment hereunder is terminated as a result of Executive's death, permanent disability or incapacity during the Employment Period, Executive or Executive's representatives or beneficiaries shall be entitled to receive only the Accrued Obligations.

(f) For purposes of the Agreement, "*Cause*" shall mean a determination by the Company that the Executive's employment with the Company or a Related Entity should be terminated as a result of (i) any material breach by the Executive of any agreement between the Executive and the Company; (ii) the conviction of or plea of nolo contendere by the Executive to a felony or a crime involving moral turpitude; (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Executive of the Executive's duties to the Company; (iv) the Executive's fraud, embezzlement, or act(s) of dishonesty relating to the Company or any Related Entity, or (v) the Executive's failure to follow the lawful instructions of the Company's Chief Executive Officer. For purposes of this Agreement, "Good Reason" shall mean, without Executive's written consent: (i) there is a material reduction of the level of Executive's compensation (excluding any bonuses) (except where there is a general reduction applicable to the management team generally, provided, however, that in no case may the Base Salary be reduced below the amount stated in Section 3(a), (ii) there is a material reduction in Executive's overall responsibilities or authority, or scope of duties (it being understood that the occurrence of a Change in Control shall not, by itself, necessarily constitute a reduction in Executive's responsibilities or authority); or (iii) there is a material change in the principal geographic location at which Executive must perform his services (it being understood that the relocation of Executive to a facility or a location within forty (40) miles of City Hall, Philadelphia, Pennsylvania shall not be deemed material for purposes of this Agreement). No event shall be deemed to be "Good Reason" if the Company has cured the event (if susceptible to cure) within 30 days of receipt of written notice from Executive specifying the event or events which, absent cure, would constitute "Good Reason."

(g) For purposes of this Agreement, Executive's permanent disability or incapacity shall be determined in accordance with the Company's long-term disability insurance policy, if such a policy is then in effect, or, if no such policy is then in effect, then such permanent disability or incapacity shall be deemed to have occurred when (i) the Executive's incapacity due to a physical or mental condition and, if reasonable accommodation is required by law, after any reasonable accommodation, that results in the Executive being substantially unable to perform the essential functions of his position for six consecutive months (or for six months out of any nine month period); or (ii) a qualified independent physician mutually acceptable to the Company and the Executive determines that the Executive is incapacitated due to a physical or mental condition and, if reasonable accommodation is required by law, after any reasonable accommodation, so as to be unable to perform the essential functions of his position and such condition is expected to be of a permanent or near permanent duration.

(h) Change in Control Payments. The provisions of this paragraph (h) set forth the terms of an agreement reached between Executive and the Company regarding Executive's rights and obligations upon the occurrence of a "*Change in Control*" (as hereinafter defined) of the Company during the Term. These provisions are intended to assure and encourage in advance Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such Change in Control. The following provisions shall apply in the event of a Change in Control, in addition to any payment or benefit that may be required pursuant to Section (d).

(i) Equity. Upon the occurrence of a Change in Control, all stock options, restricted stock and other stock-based granted to Executive by the Company or that may be granted in the future shall, irrespective of any provisions of his award agreements, immediately and irrevocably vest and become exercisable and any restrictions thereon shall lapse. All stock options shall remain exercisable from the date of the Change in Control until the expiration of the term of such stock options.

(ii) Change of Control. For purposes of Section 4(h), "*Change in Control*," also called a "*Sale Event*" in the Restricted Stock Agreement, shall mean any of the following: (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity; or (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction; or (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert; or any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of a the acquisition of securities directly from the Company.

5. Confidentiality, Non-competition, Non-solicitation Obligations.

(a) Confidentiality.

(i) Executive will not at any time (whether during or after Executive's employment with the Company) (i) retain or use for the benefit, purposes or account of Executive or any other person; or (ii) disclose, divulge, reveal, communicate, share, transfer or provide access to any person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information – including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals – concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("*Confidential Information*") without the prior written authorization of the Board; *provided*, that Executive may disclose such information to Executive's legal and/or financial advisor for the limited purpose of enforcing Executive's rights under this Agreement so long as Executive requires that such legal and/or financial advisors not disclose such information and Executive shall be liable for any disclosure by such legal and/or financial advisors.

(ii) Confidential Information shall not include any information that is: (i) generally known to the industry or the public other than as a result of Executive's breach of this covenant; (ii) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (iii) required by applicable law to be disclosed; *provided* that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

(iii) Executive acknowledges, agrees, and understands that (1) nothing in this Agreement prohibits Executive from reporting to any governmental authority or attorney information concerning suspected violations of law or regulation, provided that Executive does so consistent with 18 U.S.C. 1833, and (2) Executive may disclose trade secret information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution or liability, provided that Executive does so consistent with 18 U.S.C. 1833.

(iv) Except as required by applicable law, Executive will not disclose to anyone, other than Executive's spouse, legal or financial advisors or members of the Company's senior management, the existence or contents of this Agreement.

(v) Upon termination of Executive's employment with the Company for any reason, Executive shall: (i) cease and not thereafter commence use of any Confidential Information or intellectual property (including, without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (ii) immediately return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information or are not related to the Company's business; and (iii) notify and fully cooperate with the Company regarding the delivery of any other Confidential Information of which Executive is or becomes aware.

(b) Non-competition, Non-solicitation Obligations.

(i) In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that during the course of his/her employment with the Company (including its predecessors), Executive has and shall become familiar with the Company's trade secrets and with other Confidential Information concerning the Company and affiliates and that his/her services have been and shall be of special, unique and extraordinary value to the Company and affiliates, and, therefore, Executive agrees that, during the Employment Period and for twelve (12) months thereafter (the "Non-compete Period"), Executive shall not directly or indirectly, either for him/herself or for any other person, partnership, corporation, company or other entity, own any interest in, manage, control, participate in, consult with, render services for, or in any other manner engage in any business or enterprise which is engaged in any of the same lines of business as the Company, including, for the avoidance of doubt, the business of developing or commercializing a therapeutic targeting the treatment of or treating Vascular Ehler- Danlos Syndrome (the "VEDs Business"), or any other line of business engaged in by the Company at the time of the cessation of the Employment Period (collectively, the "Business") in any state in which the Company conducts such Business at the time of the cessation of the Employment Period (any of the foregoing, a "Competitive Activity"). For purposes of this Agreement, "participate" includes any direct or indirect interest in any enterprise, whether as an officer, director, employee, partner, sole proprietor, agent, representative, independent contractor, executive, franchisor, franchisee, creditor, owner or otherwise; provided, that the foregoing activities shall not include the passive ownership (i.e., Executive does not directly or indirectly participate in the business or management of the applicable entity) of less than 5% of the stock of a publicly-held corporation whose stock is traded on a national securities exchange and which is not primarily engaged in a Competitive Activity. Executive agrees that the aforementioned covenant is reasonable with respect to its duration, geographical area and scope. In particular, Executive acknowledges and agrees that the geographic scope of this restriction is necessary to protect the goodwill and Confidential Information of the Company.

(ii) During the Non-compete Period, Executive shall not directly or indirectly through another person or entity (i) induce or attempt to induce any employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof; (ii) hire any person who was an employee of the Company at any time during the twelve (12) months preceding such hiring; (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company to cease doing business with the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company (including, without limitation, making any negative or disparaging statements or communications about the Company); (iv) service, engage in business with or provide products or services to any customer of the Company with respect to any product or service provided or rendered by the Company or which the Company is in the process of developing, as of the expiration date or earlier termination of the Employment Period; or (v) directly or indirectly acquire or attempt to acquire any business which the Company has identified as a potential acquisition target (an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person or entity other than the Company. For purposes of this paragraph 8(b), the term "employee" shall include consultants and independent contractors of the Company.

(iii) The covenants made in this section shall be construed as agreements independent of any other provision(s) of this Agreement and shall survive any order of a court of competent jurisdiction terminating any other provision(s) of this Agreement.

(iv) Executive agrees that the Non-compete Period may be extended with respect to Executive by a period equal to the length of any violation of this section. If, at the time of enforcement of this section, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the court may reduce such restrictions to the maximum period, scope or geographical area reasonable under such circumstances.

(v) During the Non-compete Period, at least five (5) business days prior to Executive becoming an independent contractor, service provider, consultant, owner or employee of any person or entity other than the Company, Executive shall provide in writing to the Company the name, address, telephone and fax numbers and appropriate contact regarding such relationship for the purpose of allowing the Company to contact such person or entity to inform him, her or it of Executive's obligations and restrictions under this section 5.

(vi) In the event of the breach or a threatened breach by Executive of any of the provisions of this section, the Company would suffer irreparable harm, and in addition and supplementary to other rights and remedies existing in its favor, the Company shall be entitled to specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security).

(vii) Notwithstanding anything to the contrary herein, the restrictions set forth in this Section 5(b) shall terminate and be of no further force or effect with respect to the VEDs Business in the event Rumpus VEDS LLC, a Delaware limited liability company ("Rumpus VEDS"), acquires the VEDs Business from the Company under a process or pursuant to rights contained in the Asset Purchase Agreement, dated on or about the date of this Agreement, by and among Aytu BioPharma, Inc., Rumpus VEDS, Rumpus Therapeutics LLC, Rumpus Vascular LLC, Executive and Christopher Brooke.

6. Intellectual Property.

(a) Executive has created, invented, designed, developed, contributed to or improved the works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("*Works*"), either alone or with third parties, prior to Executive's employment by the Company, that are described on Exhibit B ("*Prior Works*"), Executive hereby grants the Company a perpetual, non-exclusive, royalty-free, worldwide, assignable, sub-licensable license under all rights and intellectual property rights (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) therein for all purposes in connection with the Company's current and future business.

(b) If Executive creates, invents, designs, develops, contributes to or improves any Works, either alone or with third parties, at any time during Executive's employment by the Company and within the scope of such employment and/or with the use of any Company resources ("*Company Works*"), Executive shall promptly and fully disclose the same to the Company and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(c) Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

(d) Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Prior Works and Company Works. If the Company is unable for any other reason to secure Executive's signature on any document for this purpose, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney in fact, to act for and in Executive's behalf and stead to execute any documents and to do all other lawfully permitted acts in connection with the foregoing.

(e) Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without prior written permission of such third party. Executive shall comply with all relevant policies and guidelines of the Company regarding the protection of confidential information and intellectual property and potential conflicts of interest. Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that Executive remains at all times bound by their most current version that has been communicated to Executive.

7. Return of Company Property. At the termination of the Employment Period and at any other time upon the request of the Company, Executive shall deliver to the Company any and all of the Company's documents, plans, records, computer tapes, software, drawings, notes, memoranda, specifications, devices (including, without limitation, any cellular phone or computer), and formulas relating to the Company's business, together with all copies thereof, which is in the possession of Executive.

8. Enforcement. If, at the time of enforcement of, Section 5 or Section 6, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area. It is specifically understood and agreed that any breach of the provisions of, Section 5 or Section 6 are likely to result in irreparable injury to the Company and the parties hereto agree that money damages would be an inadequate remedy for any breach of Section 5 or Section 6. Therefore, in the event of a breach or threatened breach of Section 5 or Section 6, the Company or its successors or assigns shall, in addition to other rights and remedies existing in their favor, be entitled to specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of Section 5 or Section 6.

9. Representations and Warranties.

(a) Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound, (ii) Executive is not a party to or bound by any employment agreement, non-solicitation agreement, assignment of inventions or confidentiality agreement with any other person or entity, (iii) Executive is not subject to any noncompetition agreement or any other agreement or restriction of any kind that would impede in any way the ability of Executive to carry out fully all activities of Executive in furtherance of the business of the Company, (iv) Executive is not in violation of a confidentiality, non-solicitation or non-competition agreement or any other agreement relating to the relationship of Executive with any third party, because of the nature of the business conducted by the Company, and (v) upon execution and delivery of this Agreement, this Agreement shall be the valid and binding obligation of Executive, enforceable against Executive in accordance with its terms, and shall replace and supersede in its entirety any Prior Agreement.

(b) The Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound and (ii) upon execution and delivery, this Agreement shall be the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

10. Indemnification. With respect to all actions taken by Executive during the Employment Period, the Company agrees to indemnify and defend Executive to the fullest extent permitted by applicable law in accordance with the Company's bylaws on the same basis as other officers of the Company in connection with any actions, suits or proceedings to which Executive is, or is threatened to be made, a party solely by reason of the fact that Executive is or was an officer of the Company.

11. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Executive and the Company and their respective heirs, successors and permitted assigns. Neither party may assign any of its rights or assign or delegate any of its obligations hereunder without the prior written consent of the other party hereto; *provided, however,* that the Company shall be permitted to assign this Agreement to any successor to all or substantially all of its assets that agrees in writing to assume all of the Company's obligations hereunder.

12. Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) on the date established by the sender as having been delivered personally, (b) on the date delivered by a private courier as established by the sender by evidence obtained from such courier, (c) on the date sent by facsimile or e-mail transmission (with acknowledgement of complete transmission), or (d) on the fifth day after the date mailed, by ce1tified or registered mail, return receipt requested, postage prepaid. Notices, demands or communications to any pa1ty hereto will, unless another address is specified in writing pursuant to this Section 12, be sent to the addresses indicated below.

If to Executive: [redacted]

If to the Company:

Aytu Bi0Pha1ma, Inc.
Attn: Joshua Disbrow
373 Inverness Parkway, Suite 206
Englewood, CO USA 80112

13. Severability. Whenever possible, each provision of this Agreement will be inte1preted in such manner as to be valid under applicable law; but, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicablelaw or rnle in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but except as othe1w ise set fo1th in this Agreement, this Agreement will be refonned, constrned and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

14. Complete Agreement. This Agreement embodies the complete agreement and understanding between the paities with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, including without limitation, any Prior Agreement.

15. Amendment or Modification, Waiver. No provision of this Agreement may be amended or waived unless such amendment or waiver is agreed to in writing signed by Executive and by a duly authorized officer of the Company. No waiver by any pai·ty to this Agreement or any breach by another pa1ty of any condition or provision of this Agreement to be perfo1m ed by such other pa1ty shall be deemed a waiver of a similar or dissimilar condition or provision at the saine time, any prior time or any subsequent time

16. Signatures; Counterparts. This Agreement may be executed in one or more counte1paits, each of which will be deemed an original but all of which together will constitute one and the saine instrum ent. For pmposes hereof, a facsimile signature, portable document fo1mat (.pdf) signature or signature sent by electi·onic u-ansmission will be considered an original signature.

17. Applicable Law and Venue. The validity, interpretation and enforcement of this Agreement and any amendments or modifications hereto shall be governed by the laws of the State of Colorado. The parties consent to the jurisdiction to the state and federal courts of Colorado.

18. Legal Fees. The Company and Executive shall each pay their own expenses incurred in connection with negotiating this Agreement.

19. Tax Withholdings. The Company shall deduct or withhold from any amounts owing from the Company to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's compensation or other payments from the Company or Executive's ownership interest in the Company, if any (including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity).

20. Headings; No Strict Construction. The headings of the paragraphs and sections of this Agreement are inserted for convenience only and shall not be deemed a part of or affect the construction or interpretation of any provision hereof. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

21. Executive's Cooperation. During the Employment Period and thereafter, Executive shall, subject to the Company reimbursing Executive for out-of-pocket expenses, cooperate with the Company in any internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments).

22. Corporate Opportunity. During the Employment Period, Executive shall submit to the Board all pharmaceuticals, medical device or diagnostics, or a similar healthcare-related business, commercial and investment opportunities or offers presented to Executive or of which Executive becomes aware which relate to the business of the Company at any time during the Employment Period ("*Corporate Opportunities*"). Unless approved by the Board, Executive shall not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive's own behalf.

23. Section 409A Compliance. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "*Code Section 409A*") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Code Section 409A or damages for failing to comply with Code Section 409A. Notwithstanding anything herein to the contrary, a termination of employment shall be deemed to have occurred at the time such termination constitutes a "separation from service" within the meaning of Code Section 409A for purposes of any provision of this Agreement providing for the payment of any amounts or benefits in connection with a termination of employment and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean a "separation from service." Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

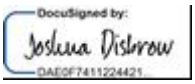
24. **Read and Understood**. Executive has read this Agreement carefully and understands each of its terms and conditions. Executive has sought independent legal counsel of Executive's choice to the extent Executive deemed such advice necessary in connection with the review and execution of this Agreement.

[***Signature page follows***.]

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

COMPANY:

AYTU BIOPHARMA, INC.

By: 

Name: Joshua Disbrow
Its: Chief Executive Officer

EXECUTIVE

Nathaniel Massari
Nathaniel Massari

Exhibit B

List of Prior Works

Overview of programs previously evaluated per ***Rumpus Tx vEDS Operationalize and Program Eval Confidential Deck Aytu - 2021_02_25*** slide deck in Data Room Folder "14 – Feb 25th Meeting Deck"

Myeloid-Derived Suppressor Cells for Necrotizing Enterocolitis per ***Wistar Rumpus Option Nov 2018 FE copy*** in Data Room Folder "13 – Other Universities"

Myeloid-Derived Suppressor Cells for Necrotizing Enterocolitis per ***Wistar Rumpus Option Extension Nov 2019 FE copy*** in Data Room Folder "13 – Other Universities"

Novel Beta Lactams as Modulators of Glutamate Uptake for Cerebral Palsy per ***Temple Rumpus Exclusive Startup Option Agreement Apr 2019 FE copy*** in Data Room Folder "13 – Other Universities"

Novel Beta Lactams as Modulators of Glutamate Uptake for Cerebral Palsy per ***Temple Rumpus Amendment to License Option Sept 2019 FE copy*** in Data Room Folder "13 – Other Universities"

Pulmonary Macrophage Transplantation for Hereditary Pulmonary Alveolar Proteinosis per ***Cincy Childrens Rumpus CDA190209 Mar 2019 FE copy*** in Data Room Folder "13 – Other Universities"

Alveolar-Like Macrophages for Bronchopulmonary Dysplasia per ***Toronto Sick Kids Rumpus Mutual CDA Mar 2019 FE copy*** in Data Room Folder "13 – Other Universities"

MEK Inhibition for Arteriovenous Malformations per ***Boston Childrens Rumpus AVM CDA Greene Final Feb 2019 copy*** in Data Room Folder "13 – Other Universities"

Trans-amniotic Stem Cell Therapy for Gastroschisis per ***Boston Childrens Rumpus TRASCET CDA Sauza Final May 2019 copy*** in Data Room Folder "13 – Other Universities"

Potential Treatment of Mitochondrial Diseases per ***Childrens Hosp of Phila Rumpus Mitochondria CDA Falk Final May 2018 copy*** in Data Room Folder "13 – Other Universities"

Exhibit 10.13

EMPLOYMENT AGREEMENT

This Employment Agreement (the "*Agreement*"), is effective as of April 12, 2021 (the "*Effective Date*"), between Aytu BioPharma, Inc., a Delaware corporation headquartered at 373 Inverness Parkway, Suite 206, Englewood, CO 80112 USA (hereinafter referred to as the "*Company*"), and Christopher Brooke ("*Executive*").

RECITALS

WHEREAS, the Company is a duly organized Delaware corporation, with its principal place of business within the State of Colorado, and is in the business of developing and marketing pharmaceuticals, medical devices, and other healthcare products; and

WHEREAS, the Company desires Executive's experience, skills, abilities, background and knowledge, and is willing to engage Executive's services on the terms and conditions set forth in this Agreement; and

WHEREAS, Executive desires to be in the employ of the Company, and is willing to accept such employment on the terms and conditions set forth in this Agreement; and

WHEREAS, this Agreement shall replace and supersede in its entirety any prior employment agreements or understandings between Executive and the Company and/or Executive and Rumpus VEDS LLC, a Delaware limited liability company, Rumpus Therapeutics LLC, a Delaware limited liability company, and/or Rumpus Vascular LLC, a Delaware limited liability company (the "*Rumpus Entities*") (the above-referenced agreements hereinafter referred to as "*Prior Agreements*").

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Employment. The Company hereby employs Executive, and Executive hereby accepts employment by the Company, upon the terms and conditions set forth in this Agreement for the period beginning on the Effective Date and ending on the date described in Section 4(a) (the "*Employment Period*"). Notwithstanding anything herein to the contrary, if the proposed transaction between the Company and the Rumpus Entities referenced in the February 22, 2021 Exclusivity Agreement (the "*Proposed Transaction*") is terminated prior to the occurrence of the transaction Closing (as such term is defined in the Proposed Transaction) thereunder, then this Agreement automatically shall terminate and be of no further force or effect.

2. Position and Duties.

(a) During the Employment Period, Executive shall serve as Executive Vice President of Rare Disease Operations, and in connection therewith, Executive shall render such administrative, financial and other executive and managerial services to the Company and have the responsibilities and authority which are consistent with Executive's position, subject to the power and authority of the Company's Chief Executive Officer and/or Board of Directors of the Company (the "*Board*") to expand or limit such duties, responsibilities, functions and authority.

(b) Executive shall report to the Chief Executive Officer (or such other person as shall be designated by the Board). Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a diligent, trustworthy, businesslike and efficient manner. Executive shall devote Executive's full business time, energies and attention (except for permitted vacation periods and periods of illness or other temporary incapacity) to the business and affairs of the Company. So long as Executive is employed by the Company, Executive shall not without the prior written consent of the Board, accept other employment or perform other services for compensation or that interfere with Executive's employment with the Company; *provided*, *however*, that Executive may serve as an officer or director of or otherwise participate in purely educational, welfare, social, religious and civic organizations so long as such activities are not in competition with the Company or do not interfere with Executive's ability to carry out Executive's duties under this Agreement.

(c) Executive shall comply with all lawful rules, policies, procedures, regulations and administrative directions now or hereafter reasonably established by the Board for employees of the Company.

3. Salary and Benefits.

(a) Salary. During the Employment Period, the Company shall pay Executive a base salary at the annual rate of three hundred sixty thousand dollars and zero cents ($360,000.00), payable in regular installments in accordance with the Company's usual payment practices subject to required withholdings and taxes (the "*Salary*"). Executive may receive increases in Executive's Salary to the extent such an increase is approved in the sole discretion of the Board and any such increased Salary will be considered the "Salary" for purposes of Executive's bonus target under Section 3(b).

(b) Bonus. With respect to each fiscal year during the Employment Period, Executive is eligible to receive an annual bonus of up to 40% of Executive's Salary, as determined by the Board and in the Board's sole discretion.

(c) Benefits. During the Employment Period, Executive shall be entitled to five weeks of paid vacation annually, paid holidays, and to participate in all employee benefit plans of the Company, including without limitation all health insurance plans, retirement plans (including 401(k)), life insurance plans and other perquisite plans and programs (collectively, the "*Benefit Plans*") for which employees of Executive's rank in the Company are generally eligible, in each case consistent with the Company's then-current practice as approved by the Board from time to time. The foregoing shall not be construed to require the Company to establish such Benefit Plans or to prevent the modification or termination of such Benefit Plans once established, and no such action or failure thereof shall affect this Agreement. Executive recognizes that the Company and its affiliates have the right, in their sole discretion, to amend, modify or terminate any Benefit Plans.

(d) Restricted Stock Grant. On the date of Closing, the Company shall grant to Executive a restricted stock grant of five hundred thousand dollars ($500,000.00) worth of Company common stock, which will vest over a three (3) year period of employment with the Company in equal yearly tranches. The restricted stock grant shall be governed by the terms of the Company's standard Restricted Stock Agreement, a copy of which is attached as Exhibit A to this Agreement.

(e) Waiver of Rights in Prior Agreements. In consideration of the covenants contained herein, including the terms set forth in this Section 3, the receipt and sufficiency of which is hereby acknowledged, Executive waives any and all rights to wages, commissions, bonuses and / or benefits earned or accrued that otherwise might be due under any Prior Agreements including, but not limited to, accrued vacation time set forth in Executive's prior employment agreement with Company.

(f) Business Expenses. During the Employment Period, the Company shall reimburse Executive for all reasonable business expenses incurred by Executive in the course of performing Executive's duties under this Agreement; *provided* such expenses are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses. As a condition to being issued such reimbursements, Executive shall submit to the Company on a timely basis business expense reports, including substantiation in accordance with the Company's policy as in effect from time to time. For purposes of compliance with Code Section 409A (as defined in Section 23): (i) all expenses or other reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive, (ii) any such right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit and (iii) no such reimbursement, expenses eligible for reimbursement or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year in accordance with the terms and conditions of the Company's 2015 Stock Option and Incentive Plan and accompanying applicable award agreements.

4. Employment Period.

(a) The Employment Period shall begin on the Effective Date and shall continue for two years or until Executive's employment hereunder is terminated in accordance with this Section. After the initial Employment Period, Executive's employment shall thereafter renew only upon mutual agreement between Company and Executive.

(b) The Employment Period and Executive's employment hereunder (i) shall terminate upon Executive's death or permanent disability or incapacity, (ii) may be terminated by the Company at any time with or without Cause (as defined in Section 4(f)), and (iii) may be terminated by Executive at any time with or without Good Reason.

(c) If Executive's employment hereunder is terminated by the Company for Cause or by the Executive without Good Reason during the Employment Period, then Executive shall be entitled to receive only Executive's accrued, unpaid Salary, and paid time off, if any, that has accrued in accordance with Company policy through the effective date of Executive's termination of employment (the "*Termination Date*"), and any reimbursements owed for business expenses validly incurred on or prior to the Termination Date and reimbursable in accordance with Section 3(f) and any accrued but unpaid benefits due and owing to Executive under the Benefit Plans (collectively, the "*Accrued Obligations*").

(d) If Executive's employment hereunder is terminated without Cause by the Company or for Good Reason (as defined below) by the Executive during the Employment Period, then Executive shall be entitled to receive the Accrued Obligations. In addition, if Executive (1) timely signs and does not revoke a general release of claims against the Company and its affiliates on a form to be provided by the Company, containing terms similar to past practice of the Company for comparable circumstances, and (2) complies with the terms of this agreement, including the obligations set forth in Section 5 and Section 6, Executive shall also be entitled to receive the following:

(i) Severance Payment. A severance payment in an amount equal to twelve (12) months of Executive's Salary, payable in twelve equal installments over the twelve months following the Termination Date, subject to applicable federal and state withholdings.

(ii) Continued COBRA Coverage. Continued participation (via state or federal insurance continuation laws such as COBRA, to the extent available and provided Executive timely elects such coverage) in the health and welfare plans provided by the Company to Executive at the time of termination for a period of twelve (12) months from the date of termination or, if earlier, until he is eligible for comparable coverage with a subsequent employer. The Company agrees to reimburse the Executive for the same employer portion of the continuation premium as the Company had paid immediately prior to the termination. Executive shall give the Company prompt notice of his eligibility for comparable coverage.

(e) If Executive's employment hereunder is terminated as a result of Executive's death, permanent disability or incapacity during the Employment Period, Executive or Executive's representatives or beneficiaries shall be entitled to receive only the Accrued Obligations.

(f) For purposes of the Agreement, "*Cause*" shall mean a determination by the Company that the Executive's employment with the Company or a Related Entity should be terminated as a result of (i) any material breach by the Executive of any agreement between the Executive and the Company; (ii) the conviction of or plea of nolo contendere by the Executive to a felony or a crime involving moral turpitude; (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Executive of the Executive's duties to the Company; (iv) the Executive's fraud, embezzlement, or act(s) of dishonesty relating to the Company or any Related Entity, or (v) the Executive's failure to follow the lawful instructions of the Company's Chief Executive Officer. For purposes of this Agreement, "*Good Reason*" shall mean, without Executive's written consent: (i) there is a material reduction of the level of Executive's compensation (excluding any bonuses) (except where there is a general reduction applicable to the management team generally, provided, however, that in no case may the Base Salary be reduced below the amount stated in Section 3(a), (ii) there is a material reduction in Executive's overall responsibilities or authority, or scope of duties (it being understood that the occurrence of a Change in Control shall not, by itself, necessarily constitute a reduction in Executive's responsibilities or authority); or (iii) there is a material change in the principal geographic location at which Executive must perform his services (it being understood that the relocation of Executive to a facility or a location within forty (40) miles of City Hall, Philadelphia, Pennsylvania shall not be deemed material for purposes of this Agreement). No event shall be deemed to be "Good Reason" if the Company has cured the event (if susceptible to cure) within 30 days of receipt of written notice from Executive specifying the event or events which, absent cure, would constitute "Good Reason."

(g) For purposes of this Agreement, Executive's permanent disability or incapacity shall be determined in accordance with the Company's long-term disability insurance policy, if such a policy is then in effect, or, if no such policy is then in effect, then such permanent disability or incapacity shall be deemed to have occurred when (i) the Executive's incapacity due to a physical or mental condition and, if reasonable accommodation is required by law, after any reasonable accommodation, that results in the Executive being substantially unable to perform the essential functions of his position for six consecutive months (or for six months out of any nine month period); or (ii) a qualified independent physician mutually acceptable to the Company and the Executive determines that the Executive is incapacitated due to a physical or mental condition and, if reasonable accommodation is required by law, after any reasonable accommodation, so as to be unable to perform the essential functions of his position and such condition is expected to be of a permanent or near permanent duration.

(h) Change in Control Payments. The provisions of this paragraph (h) set forth the terms of an agreement reached between Executive and the Company regarding Executive's rights and obligations upon the occurrence of a "*Change in Control*" (as hereinafter defined) of the Company during the Term. These provisions are intended to assure and encourage in advance Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such Change in Control. The following provisions shall apply in the event of a Change in Control, in addition to any payment or benefit that may be required pursuant to Section (d).

(i) Equity. Upon the occurrence of a Change in Control, all stock options, restricted stock and other stock-based granted to Executive by the Company or that may be granted in the future shall, irrespective of any provisions of his award agreements, immediately and irrevocably vest and become exercisable and any restrictions thereon shall lapse. All stock options shall remain exercisable from the date of the Change in Control until the expiration of the term of such stock options.

(ii) Change of Control. For purposes of Section 4(h), "*Change in Control*," also called a "*Sale Event*" in the Restricted Stock Agreement, shall mean any of the following: (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity; or (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction; or (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert; or any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of a the acquisition of securities directly from the Company.

5. Confidentiality, Non-competition, Non-solicitation Obligations.

(a) Confidentiality.

(i) Executive will not at any time (whether during or after Executive's employment with the Company) (i) retain or use for the benefit, purposes or account of Executive or any other person; or (ii) disclose, divulge, reveal, communicate, share, transfer or provide access to any person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information – including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals – concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("*Confidential Information*") without the prior written authorization of the Board; *provided*, that Executive may disclose such information to Executive's legal and/or financial advisor for the limited purpose of enforcing Executive's rights under this Agreement so long as Executive requires that such legal and/or financial advisors not disclose such information and Executive shall be liable for any disclosure by such legal and/or financial advisors.

(ii) Confidential Information shall not include any information that is: (i) generally known to the industry or the public other than as a result of Executive's breach of this covenant; (ii) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (iii) required by applicable law to be disclosed; *provided* that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

(iii) Executive acknowledges, agrees, and understands that (1) nothing in this Agreement prohibits Executive from reporting to any governmental authority or attorney information concerning suspected violations of law or regulation, provided that Executive does so consistent with 18 U.S.C. 1833, and (2) Executive may disclose trade secret information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution or liability, provided that Executive does so consistent with 18 U.S.C. 1833.

(iv) Except as required by applicable law, Executive will not disclose to anyone, other than Executive's spouse, legal or financial advisors or members of the Company's senior management, the existence or contents of this Agreement.

(v) Upon termination of Executive's employment with the Company for any reason, Executive shall: (i) cease and not thereafter commence use of any Confidential Information or intellectual property (including, without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (ii) immediately return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information or are not related to the Company's business; and (iii) notify and fully cooperate with the Company regarding the delivery of any other Confidential Information of which Executive is or becomes aware.

(b) Non-competition, Non-solicitation Obligations.

(i) In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that during the course of his/her employment with the Company (including its predecessors), Executive has and shall become familiar with the Company's trade secrets and with other Confidential Information concerning the Company and affiliates and that his/her services have been and shall be of special, unique and extraordinary value to the Company and affiliates, and, therefore, Executive agrees that, during the Employment Period and for twelve (12) months thereafter (the "Non-compete Period"), Executive shall not directly or indirectly, either for him/herself or for any other person, partnership, corporation, company or other entity, own any interest in, manage, control, participate in, consult with, render services for, or in any other manner engage in any business or enterprise which is engaged in any of the same lines of business as the Company, including, for the avoidance of doubt, the business of developing or commercializing a therapeutic targeting the treatment of or treating Vascular Ehler- Danlos Syndrome (the "VEDs Business"), or any other line of business engaged in by the Company at the time of the cessation of the Employment Period (collectively, the "Business") in any state in which the Company conducts such Business at the time of the cessation of the Employment Period (any of the foregoing, a "Competitive Activity"). For purposes of this Agreement, "participate" includes any direct or indirect interest in any enterprise, whether as an officer, director, employee, partner, sole proprietor, agent, representative, independent contractor, executive, franchisor, franchisee, creditor, owner or otherwise; provided, that the foregoing activities shall not include the passive ownership (i.e., Executive does not directly or indirectly participate in the business or management of the applicable entity) of less than 5% of the stock of a publicly-held corporation whose stock is traded on a national securities exchange and which is not primarily engaged in a Competitive Activity. Executive agrees that the aforementioned covenant is reasonable with respect to its duration, geographical area and scope. In particular, Executive acknowledges and agrees that the geographic scope of this restriction is necessary to protect the goodwill and Confidential Information of the Company.

(ii) During the Non-compete Period, Executive shall not directly or indirectly through another person or entity (i) induce or attempt to induce any employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof; (ii) hire any person who was an employee of the Company at any time during the twelve (12) months preceding such hiring; (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company to cease doing business with the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company (including, without limitation, making any negative or disparaging statements or communications about the Company); (iv) service, engage in business with or provide products or services to any customer of the Company with respect to any product or service provided or rendered by the Company or which the Company is in the process of developing, as of the expiration date or earlier termination of the Employment Period; or (v) directly or indirectly acquire or attempt to acquire any business which the Company has identified as a potential acquisition target (an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person or entity other than the Company. For purposes of this paragraph 8(b), the term "employee" shall include consultants and independent contractors of the Company.

(iii) The covenants made in this section shall be construed as agreements independent of any other provision(s) of this Agreement and shall survive any order of a court of competent jurisdiction terminating any other provision(s) of this Agreement.

(iv) Executive agrees that the Non-compete Period may be extended with respect to Executive by a period equal to the length of any violation of this section. If, at the time of enforcement of this section, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the court may reduce such restrictions to the maximum period, scope or geographical area reasonable under such circumstances.

(v) During the Non-compete Period, at least five (5) business days prior to Executive becoming an independent contractor, service provider, consultant, owner or employee of any person or entity other than the Company, Executive shall provide in writing to the Company the name, address, telephone and fax numbers and appropriate contact regarding such relationship for the purpose of allowing the Company to contact such person or entity to inform him, her or it of Executive's obligations and restrictions under this section 5.

(vi) In the event of the breach or a threatened breach by Executive of any of the provisions of this section, the Company would suffer irreparable harm, and in addition and supplementary to other rights and remedies existing in its favor, the Company shall be entitled to specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security).

(vii) Notwithstanding anything to the contrary herein, the restrictions set forth in this Section 5(b) shall terminate and be of no further force or effect with respect to the VEDs Business in the event Rumpus VEDS LLC, a Delaware limited liability company ("Rumpus VEDS"), acquires the VEDs Business from the Company under a process or pursuant to rights contained in the Asset Purchase Agreement, dated on or about the date of this Agreement, by and among Aytu BioPharma, Inc., Rumpus VEDS, Rumpus Therapeutics LLC, Rumpus Vascular LLC, Executive and Nathaniel Massari.

6. Intellectual Property.

(a) Executive has created, invented, designed, developed, contributed to or improved the works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("*Works*"), either alone or with third parties, prior to Executive's employment by the Company, that are described on Exhibit B ("*Prior Works*"), Executive hereby grants the Company a perpetual, non-exclusive, royalty-free, worldwide, assignable, sub-licensable license under all rights and intellectual property rights (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) therein for all purposes in connection with the Company's current and future business.

(b) If Executive creates, invents, designs, develops, contributes to or improves any Works, either alone or with third parties, at any time during Executive's employment by the Company and within the scope of such employment and/or with the use of any Company resources ("*Company Works*"), Executive shall promptly and fully disclose the same to the Company and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(c) Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

(d) Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Prior Works and Company Works. If the Company is unable for any other reason to secure Executive's signature on any document for this purpose, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney in fact, to act for and in Executive's behalf and stead to execute any documents and to do all other lawfully permitted acts in connection with the foregoing.

(e) Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without prior written permission of such third party. Executive shall comply with all relevant policies and guidelines of the Company regarding the protection of confidential information and intellectual property and potential conflicts of interest. Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that Executive remains at all times bound by their most current version that has been communicated to Executive.

7. Return of Company Property. At the termination of the Employment Period and at any other time upon the request of the Company, Executive shall deliver to the Company any and all of the Company's documents, plans, records, computer tapes, software, drawings, notes, memoranda, specifications, devices (including, without limitation, any cellular phone or computer), and formulas relating to the Company's business, together with all copies thereof, which is in the possession of Executive.

8. Enforcement. If, at the time of enforcement of, Section 5 or Section 6, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area. It is specifically understood and agreed that any breach of the provisions of, Section 5 or Section 6 are likely to result in irreparable injury to the Company and the parties hereto agree that money damages would be an inadequate remedy for any breach of Section 5 or Section 6. Therefore, in the event of a breach or threatened breach of Section 5 or Section 6, the Company or its successors or assigns shall, in addition to other rights and remedies existing in their favor, be entitled to specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of Section 5 or Section 6.

9. Representations and Warranties.

(a) Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound, (ii) Executive is not a party to or bound by any employment agreement, non-solicitation agreement, assignment of inventions or confidentiality agreement with any other person or entity, (iii) Executive is not subject to any noncompetition agreement or any other agreement or restriction of any kind that would impede in any way the ability of Executive to carry out fully all activities of Executive in furtherance of the business of the Company, (iv) Executive is not in violation of a confidentiality, non-solicitation or non-competition agreement or any other agreement relating to the relationship of Executive with any third party, because of the nature of the business conducted by the Company, and (v) upon execution and delivery of this Agreement, this Agreement shall be the valid and binding obligation of Executive, enforceable against Executive in accordance with its terms, and shall replace and supersede in its entirety any Prior Agreement.

(b) The Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound and (ii) upon execution and delivery, this Agreement shall be the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

10. Indemnification. With respect to all actions taken by Executive during the Employment Period, the Company agrees to indemnify and defend Executive to the fullest extent permitted by applicable law in accordance with the Company's bylaws on the same basis as other officers of the Company in connection with any actions, suits or proceedings to which Executive is, or is threatened to be made, a party solely by reason of the fact that Executive is or was an officer of the Company.

11. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Executive and the Company and their respective heirs, successors and permitted assigns. Neither party may assign any of its rights or assign or delegate any of its obligations hereunder without the prior written consent of the other party hereto; *provided*, *however*, that the Company shall be permitted to assign this Agreement to any successor to all or substantially all of its assets that agrees in writing to assume all of the Company's obligations hereunder.

12. **Notices**. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) on the date established by the sender as having been delivered personally, (b) on the date delivered by a private courier as established by the sender by evidence obtained from such courier, (c) on the date sent by facsimile or e-mail transmission (with acknowledgement of complete transmission), or (d) on the fifth day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Notices, demands or communications to any party hereto will, unless another address is specified in writing pursuant to this Section 12, be sent to the addresses indicated below.

If to Executive:

If to the Company:

Aytu BioPharma, Inc. Attn: Joshua Disbrow
373 Inverness Parkway, Suite 206
Englewood, CO USA 80112

13. **Severability**. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be valid under applicable law; but, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but except as otherwise set forth in this Agreement, this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

14. **Complete Agreement**. This Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, including without limitation, any Prior Agreement.

15. **Amendment or Modification, Waiver.** No provision of this Agreement may be amended or waived unless such amendment or waiver is agreed to in writing signed by Executive and by a duly authorized officer of the Company. No waiver by any party to this Agreement or any breach by another party of any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time

16. **Signatures; Counterparts**. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. For purposes hereof, a facsimile signature, portable document format (.pdf) signature or signature sent by electronic transmission will be considered an original signature.

17. Applicable Law and Venue. The validity, interpretation and enforcement of this Agreement and any amendments or modifications hereto shall be governed by the laws of the State of Colorado. The parties consent to the jurisdiction to the state and federal courts of Colorado.

18. Legal Fees. The Company and Executive shall each pay their own expenses incurred in connection with negotiating this Agreement.

19. Tax Withholdings. The Company shall deduct or withhold from any amounts owing from the Company to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes imposed with respect to Executive's compensation or other payments from the Company or Executive's ownership interest in the Company, if any (including, without limitation, wages, bonuses, dividends, the receipt or exercise of equity options and/or the receipt or vesting of restricted equity).

20. Headings; No Strict Construction. The headings of the paragraphs and sections of this Agreement are inserted for convenience only and shall not be deemed a part of or affect the construction or interpretation of any provision hereof. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

21. Executive's Cooperation. During the Employment Period and thereafter, Executive shall, subject to the Company reimbursing Executive for out-of-pocket expenses, cooperate with the Company in any internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are or may come into Executive's possession, all at times and on schedules that are reasonably consistent with Executive's other permitted activities and commitments).

22. Corporate Opportunity. During the Employment Period, Executive shall submit to the Board all pharmaceuticals, medical device or diagnostics, or a similar healthcare-related business, commercial and investment opportunities or offers presented to Executive or of which Executive becomes aware which relate to the business of the Company at any time during the Employment Period ("*Corporate Opportunities*"). Unless approved by the Board, Executive shall not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive's own behalf.

23. **Section 409A Compliance**. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "*Code Section 409A*") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Code Section 409A or damages for failing to comply with Code Section 409A. Notwithstanding anything herein to the contrary, a termination of employment shall be deemed to have occurred at the time such termination constitutes a "separation from service" within the meaning of Code Section 409A for purposes of any provision of this Agreement providing for the payment of any amounts or benefits in connection with a termination of employment and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean a "separation from service." Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

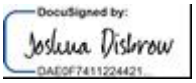
24. **Read and Understood**. Executive has read this Agreement carefully and understands each of its terms and conditions. Executive has sought independent legal counsel of Executive's choice to the extent Executive deemed such advice necessary in connection with the review and execution of this Agreement.

[***Signature page follows***.]

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

COMPANY:

AYTU BIOPHARMA, INC.

By: 

Name: Joshua Disbrow
Its: Chief Executive Officer

EXECUTIVE:

Christopher Brooke

Exhibit B

List of Prior Works

Overview of programs previously evaluated per ***Rumpus Tx vEDS Operationalize and Program Eval Confidential Deck Aytu - 2021_02_25*** slide deck in Data Room Folder "14 – Feb 25th Meeting Deck"

Myeloid-Derived Suppressor Cells for Necrotizing Enterocolitis per ***Wistar Rumpus Option Nov 2018 FE copy*** in Data Room Folder "13 – Other Universities"

Myeloid-Derived Suppressor Cells for Necrotizing Enterocolitis per ***Wistar Rumpus Option Extension Nov 2019 FE copy*** in Data Room Folder "13 – Other Universities"

Novel Beta Lactams as Modulators of Glutamate Uptake for Cerebral Palsy per ***Temple Rumpus Exclusive Startup Option Agreement Apr 2019 FE copy*** in Data Room Folder "13 – Other Universities"

Novel Beta Lactams as Modulators of Glutamate Uptake for Cerebral Palsy per ***Temple Rumpus Amendment to License Option Sept 2019 FE copy*** in Data Room Folder "13 – Other Universities"

Pulmonary Macrophage Transplantation for Hereditary Pulmonary Alveolar Proteinosis per ***Cincy Childrens Rumpus CDA190209 Mar 2019 FE copy*** in Data Room Folder "13 – Other Universities"

Alveolar-Like Macrophages for Bronchopulmonary Dysplasia per ***Toronto Sick Kids Rumpus Mutual CDA Mar 2019 FE copy*** in Data Room Folder "13 – Other Universities"

MEK Inhibition for Arteriovenous Malformations per ***Boston Childrens Rumpus AVM CDA Greene Final Feb 2019 copy*** in Data Room Folder "13 – Other Universities"

Trans-amniotic Stem Cell Therapy for Gastroschisis per ***Boston Childrens Rumpus TRASCET CDA Sauza Final May 2019 copy*** in Data Room Folder "13 – Other Universities"

Potential Treatment of Mitochondrial Diseases per ***Childrens Hosp of Phila Rumpus Mitochondria CDA Falk Final May 2018 copy*** in Data Room Folder "13 – Other Universities"

Exhibit 10.14

OPTION AGREEMENT

THIS OPTION AGREEMENT (this "Agreement") is made and entered into as of December 21st, 2019 (the "Effective Date"), by and between Rumpus VEDS, LLC, a Delaware limited liability corporation having a principal place of business at 300 Brookside Avenue, Amber PA 19002 ("Optionee" or "Licensee"), and Denovo Biopharma LLC, a Delaware limited liability company having a principal place of business at 10240 Science Center Drive, Suite 120, San Diego, California 92121 ("Denovo" or "Licensor"). Licensor and Licensee are referred to collectively as the "Parties" and individually as a "Party."

WHEREAS, Denovo is the assignee of the patents, patent applications, and data listed in Exhibit A, attached hereto and made part of this Agreement; and

WHEREAS, Denovo and Optionee have negotiated the terms of an exclusive license to various assets as set forth in the Exclusive License Agreement attached hereto as Exhibit B (the "License"); and

WHEREAS, the Parties wish for Optionee to have the ability, at its discretion, to exercise an option which will make the License a binding and effective agreement between the Parties, as further set forth in this Agreement.

NOW THEREFORE, the Parties agree to the following terms:

ARTICLE 1: DEFINITIONS

1.1. "Additional Approved Indications" means any and all pediatric onset or congenital disorders outside of either: (i) oncology; or (ii) pulmonary hypertension/pulmonary arterial hypertension; but including, though not limited to, Marfan Syndrome (MFS), Arteriovenous Malformations (AVM), and Inherited Aortic Aneurysm Conditions such as Loeys-Dietz Syndrome (LDS), Shprintzen-Goldberg Syndrome (SGS) and others, in each case only if approved as an Additional Approved Indication by Denovo pursuant to Section 2.2 of the License.

1.2. "Affiliate" means any company, corporation, association or business which Optionee controls, is controlled by, or under which Optionee has control. As used herein, "control" means: (a) in the case of corporate entities, the ownership, directly or indirectly, of fifty percent (50%) or more of the voting securities; or (b) in the case of non-corporate entities, direct or indirect ownership of more than fifty percent (50%) of the equity interest with the power to direct the management and policies of such non-corporate entity; and, in either case the possession, directly or indirectly, of the power to direct the management or policies of an entity, whether through the ownership of voting securities, by contract, or otherwise.

1.3. "Commercially Reasonable Efforts" means a level of best efforts in the pharmaceutical industry for carrying out in a sustained manner a particular task or obligation to develop and commercialize a pharmaceutical product taking into account: (i) the amount of a Party's financial, technical and other resources, and the other ways a Party could utilize such resources; (ii) the Party's stage within a typical lifecycle of a company with the pharmaceutical industry; and (iii) the product's perceived market potential, regulatory pathways, costs of development and likelihood of successful development.

1.4. "Compound" means enzastaurin, (3-(1-Methylindol-3-yl)-4-[1-[1-(pyridin-2-ylmethyl)piperidin-4-yl]indol-3-yl]pyrrole-2,5-dione).

1.5. "Encumbrance" means any mortgage, pledge, hypothecation, license, adverse claim, security interest, encumbrance, title defect, title retention agreement, Third Party right, option, lien, charge, or installment purchase agreement, right of first refusal, right of preemption or right to acquire, or other restriction or limitation on the right to sell or otherwise dispose of the subject property, but excluding any restriction, right or limitation imposed by this Agreement.

1.6. "EU" means any country in the European Union and the United Kingdom if the United Kingdom is no longer a member of the European Union at the then-present time of the Term.

1.7. "FDA" means the United States Food and Drug Administration, or any successor agency thereto.

1.8. "Field of Use" means a therapeutic to treat (i) Vascular Ehlers Danlos Syndrome (vEDS) and (ii) any Additional Approved Indications that are approved by Licensor pursuant to Section 2.2 of the License.

1.9. "FTE Rate" means a rate of $250 per hour per person plus out-of-pocket expenses approved in writing by Optionee for any Licensor personnel or Licensor consultants who provide assistance and support to Optionee. The FTE Rate shall include all salaries and other reasonable indirect costs of the personnel.

1.10. "Licensed Information" will include all information, data or materials owned or controlled by Denovo, in each case, associated with, related to, or derived from the Compound and necessary or useful for the development, regulatory approval, and commercialization of products in the Field of Use, including any FDA or foreign equivalent submission, market analysis or intelligence and any clinical data collected by Denovo within or outside the Field of Use.

1.11. "Licensed Property" means the Licensed Patents and the Licensed Information, and any subsequent modifications, developments or improvements, patented or unpatented, made thereto by Denovo.

1.12. "Licensed Patents" means:

(a) The patents and patent applications identified on Exhibit A;

(b) any divisional and continuation of the patent applications listed in subsection (a), and continuation-in-part that contains a claim entitled to the benefit of the priority date of the patent applications listed in subsection (a);

(c) any foreign patent applications associated with the patent applications referenced in subsections (a) or (b);

(d) any patents issued from the patent applications referenced in subsections (a) through (c); and

(e) any reissues, reexaminations, substitutions, restorations (including supplemental protection certificates) and extensions of any patent or patent application set forth in subsections (a) through (d).

1.13. "Option" means the rights granted by Denovo to Optionee pursuant to Section 2.1.

1.14. "Option Exercise" means: (i) Optionee's delivery of a written notice to Denovo during the Option Period indicating Licensee's desire to exercise the Option; and (ii) Denovo's receipt of the Initial Option Exercise Fee (as defined in the License) during the Option Period.

1.15. "Option Exercise Date" means the date upon which the Option Exercise occurs.

1.16. "Option Period" means the period commencing on the Effective Date and ending at 5:00PM (Pacific) on the first anniversary of the Effective Date.

1.17. "Third Party" means a person other than Denovo or Optionee or their respective Affiliates.

ARTICLE 2: OPTION GRANT

2.1. Option Grant. Subject to the terms of this Agreement, Denovo hereby grants Optionee a first, sole, exclusive, irrevocable (except for breach of this Agreement) option and right to acquire a sole, and transferable exclusive license, with a right to sublicense, to make, have made, use, have used, sell, offer to sell, import and otherwise commercially exploit products and methods under all of the rights of the Licensed Property in the Field of Use within the Territory on the terms set forth in the License. Optionee shall have the Option Period to exercise the rights set forth in this Section 2.1. Denovo shall be free to license the relevant Licensed Property to any Third Party upon such terms as Denovo deems appropriate, without any further obligation to Optionee if: (i) Optionee fails to exercise the Option during the Option Period; (ii) Optionee affirmatively elects in writing not to exercise the Option; or (iii) this Agreement is terminated prior to the end of the Option Period.

2.2 Exclusivity. During the Option Period, Denovo shall not contact, negotiate with or enter into any agreement with a Third Party with respect to a license of the Licensed Property in the Field of Use.

2.3 Exercise. Optionee may exercise the Option at any time during the Option Period, and upon an Option Exercise the License will become incorporated into, and made part of, this Agreement and will be fully enforceable between the Parties per it terms.

2.4 Pre-Exercise Rights. Optionee acknowledges that until an Option Exercise it has no rights under the Licensed Property; except a limited, non-assignable, non-sublicensable right to use Licensed Property for internal purposes solely for determining whether to exercise the Option. During the Option Period, Denovo agrees to promptly respond to any reasonable request or inquiry from the Optionee related to the Licensed Information which will assist Optionee in making its decision to exercise the Option. During the Option Period, Denovo will, upon Licensee's reasonable request, make its personnel available to support Optionee's interactions with regulatory authorities or as otherwise reasonably requested by Optionee, including support for interviews and meetings with FDA or non-US equivalent regulatory authorities. If any Denovo employee assists Optionee in any of the aforementioned support activities or such activities associated with Section 2.5, Optionee shall reimburse Denovo at the FTE Rate for such support ("FTE Expenses") with the total number of hours per month not to exceed forty (40) hours, provided that the Parties may mutually agree to exceed forty hours per month upon Licensee's reasonable request. Denovo will invoice Optionee on a monthly basis for reimbursement of FTE Expenses, with each such invoice being due ten (10) days after Licensee's receipt of such invoice.

2.5 Right of Reference. During the Option Period, Denovo agrees that Licensee will have the right of reference to the Compound's IND application and Denovo will provide a right of reference letter to the FDA if requested by Licensee. Licensee agrees that during the Option Period Licensee: (i) will have no verbal interactions (face to face or via phone) with any regulatory authority regarding the Compound or any Licensed Product without Denovo personnel being present; (ii) will not have any written communication with regulatory authorities regarding the Compound or any Licensed Product without Denovo's pre-approval of such communication; and (iii) will not take any position or provide any information regarding the Compound or any Licensed Product that is not explicitly approved in advance by Denovo.

ARTICLE 3: CONSIDERATION

3.1 Agreement Execution Fee. As consideration for the rights conveyed by Denovo under this Agreement, Optionee shall pay Denovo a non-refundable, non-creditable payment in the amount of (the "Option Exercise Fee") within two (2) business days of the Effective Date.

3.2 Data Access. Upon reasonable request by Optionee, Denovo agrees that it shall provide access to the information listed on Exhibit A to Optionee reasonably necessary for Optionee to diligence any intellectual property rights or otherwise determine whether to exercise the Option.

3.3 Payments. All payments to made under this Agreement or the License shall be made to Denovo in United States Dollars. For converting payments into United States Dollars associated with Royalties that accrue in a foreign currency, the parties shall use the average of the closing rates as published in the *Wall Street Journal* applicable to transactions under exchange regulations for the particular currency on the last business day of each calendar year for the accounting period for which payment is due. All payments to Licensor shall be made electronically in immediately available funds to the following account:

3.4 Late Payments. Any amounts not paid by Optionee when due under this Agreement, and not otherwise subject to a good faith dispute, will be subject to interest from and including the date payment is due through and including the date upon which Denovo has collected the funds in accordance herewith at a rate equal to the lesser of: (i) the sum of three percent (3%) plus the prime rate of interest quoted in the Money Rates section of the *Wall Street Journal*, calculated daily on the basis of a three hundred sixty (360) day year, or (ii) the maximum interest rate allowed by law.

3.5 Taxes. All payments under this Agreement and the License are exclusive of all taxes other than income taxes owed by Denovo as a result of the payments made hereunder, and withholding taxes required by a foreign country. Optionee will make all payments to Denovo under this Agreement and the License without deduction or withholding except to the extent that any such deduction or withholding is required on payments made on transactions as a result of the fact that such payments are made from different countries. The Parties agree to cooperate with one another and use reasonable efforts to minimize obligations for any taxes required by applicable law to be withheld or deducted from any royalties, milestone payments or other payments made by Optionee to Denovo under this Agreement or the License, including by completing all procedural steps, and taking all reasonable measures, to ensure that any withholding tax is reduced or eliminated to the extent permitted under applicable law, including income tax treaty provisions and related procedures for claiming treaty relief. To the extent that Licensee is required to deduct and withhold taxes on any payment to Denovo, Licensee shall deduct and withhold such taxes and pay the amounts of such taxes to the proper government authority in a timely manner and promptly submit to Denovo an official tax certificate or other evidence of such withholding sufficient to enable Denovo to claim such payment of taxes. Licensee shall provide Denovo with reasonable assistance in order to allow Denovo to recover, as permitted by applicable law, withholding taxes, value added taxes or similar obligations resulting from payments made hereunder or to obtain the benefit of any present or future treaty against double taxation which may apply to such payments. Denovo shall provide Licensee with any tax forms that may be reasonably necessary in order for Licensee to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral tax income treaty. Denovo shall use reasonable efforts to provide any such tax forms to Licensee at least thirty (30) days prior to the due date identified by Licensee for any payment for which Denovo desires that Licensee apply a reduced withholding rate. Licensee shall make all payments due hereunder from the United States.

ARTICLE 4: INTELLECTUAL PROPERTY

4.1 Patent Prosecution Expenses. During the Option Period, Denovo shall be responsible for the filing and maintenance expenses (including attorney fees) related to the Licensed Patents.

4.2 Prosecution Strategy. During the Option Period, Denovo shall have the right to control the prosecution and maintenance of the Licensed Patents using counsel of its own choice.

ARTICLE 5: REPRESENTATIONS AND WARRANTIES

5.1 Denovo Representations. Denovo represents, warrants and covenants to Optionee those terms or provisions provided in the License under Section 3.1 are accurate as of the Effective Date.

5.2 Optionee Representations. Optionee represents, warrants and covenants to Denovo those terms or provisions provided in the License under Section 3.2 are accurate as of the Effective Date.

ARTICLE 6: TERM

6.1 Term. Prior to the Option Exercise Date, this Agreement shall be effective as of the Effective Date and remain in effect until the earlier of: (a) termination of this Agreement in accordance with its terms; or (b) the first anniversary of the Effective Date. After the Option Exercise Date, the term of this Agreement will equal the License Term (as defined in the License). The period from the Effective Date through the termination of this Agreement is referred to as the "Term").

6.2. Optionee Termination. Prior to the Option Exercise Date, Optionee may, in its sole discretion, terminate this Agreement upon sixty (60) days' prior written notice to Denovo if it decides to no longer pursue the development and commercialization of the Compound or if Denovo files, or has filed against it, a petition or proceeding under any bankruptcy, or if Denovo's business shall be placed in the hand of a receiver or trustee, whether or not by a voluntary act of Denovo.

6.3. Denovo Termination. Prior to the Option Exercise Date, Denovo may terminate this Agreement: (i) on thirty (30) days' advance written notice if Optionee files, or has filed against it, a petition or proceeding under any bankruptcy, or if Optionee's business shall be placed in the hand of a receiver or trustee, whether or not by a voluntary act of Optionee; or (ii) immediately if Optionee is in material breach of any term of this Agreement ten (10) days after receiving a written notice of such breach from Denovo. For the purpose of clarity, a failure to pay the entire Option Exercise Fee will constitute a material breach of this Agreement.

6.4 Notice. During the Term, Denovo shall notify Optionee no less than (30) days' advance notice if Denovo loses or suspects the loss of the right to sublicense rights to the Licensed Property per the terms of the Lilly Agreement; and, in such a case, Denovo shall facilitate communication between Lilly and Optionee so that Lilly may continue a business arrangement with Optionee before commercialization or marketing of any Optionee products or services.

ARTICLE 7: INCORPORATION BY REFERENCE

The Parties acknowledge and agree that the provisions of the License contained in Article 7 (Developments), Article 13 (Disclaimer of Warranties), Article 14 (Limitation of Liability), Article 16 (Indemnification), Article 17 (Notices), Article 18 (Confidentiality) and Article 19 (Miscellaneous) of the License are incorporated herein, fully ratified and are obligations as between the Parties for the Term, provided that all references to 'this License' in such incorporated Articles shall be interpreted to say 'this Agreement' for purposes of this Agreement.

ARTICLE 8: SURVIVAL

If this Agreement expires or is terminated prior to the Option Exercise, Article 5 and Article 7 shall survive expiration or termination of this Agreement. If this Agreement expires or is terminated after the Option Exercise, the survival provisions of the License shall govern the enforceability of contract provisions.

IN WITNESS WHEREOF, the Parties have caused this Option Agreement to be executed as of the Effective Date.

DENOVO BIOPHARMA LLC

By: 

Name: Wen Luo

Title: CEO

RUMPUS VEDS, LLC

By: 

Name: Christopher Brooke

Title: President

Exhibit A

Exclusively Licensed Property Rights

PATENTS

Country	Application Number	Application Date	Patent Number	Grant Date	Status
PCT/US2003/019548 CRYSTALLINE 2,5-DIONE-3-(1-METHYL-1H-INDOL-3-YL)-4-[1-(PYRIDIN-2-YLMETHYL)PIPERIDIN-4-YL]-1H-INDOL-3-YL]-1H-PYRROLE MONO-HYDROCHLORIDE (FR) 2,5-DIONE-3-(1-METHYL-1H-INDOL-3-YL)-4-[1-(PYRIDIN-2-YLMETHYL)PIPERIDIN-4-YL]-1H-INDOL-3-YL]-1H-PYRROLE MONO-HYDROCHLORIDE CRISTALLIN					
Japan	2004-521470	7/8/2003	4771356	7/1/2011	Granted, active
Japan	2011-033310	2/18/2011	5242718	4/12/2013	Granted, active
Korea South	10-2005-7000501	7/8/2003	687165	2/20/2007	Granted, active
Taiwan	092118725	7/9/2003	I315667	10/11/2009	Granted, active
United States	60/395976	7/12/2002	NA	NA	Globally Filed
United States	10/520360	7/8/2003	8114901	2/14/2012	Granted, active
China P.R.	03816621.6	7/8/2003	ZL03816621.6	11/5/2008	Granted, active
PCT/US2017/049747 METHODS AND COMPOSITION FOR THE PREDICTION OF THE ACTIVITY OF ENZASTAURIN					
Argentina	P170102447	9/1/2017	NA	filed	active
Australia	2017318669	8/31/2017	NA	filed	active
Brazil	BR112019003951-1	2/26/2019	NA	filed	active
Canada	3035386	2/27/2019	NA	filed	active
China	201780066738	4/26/2019	NA	filed	active

Egypt	PCT/311/2019	2/25/2019	NA	filed	active
Europe	17771623.0-1120	8/31/2017	NA	filed	active
India	201917006962	2/22/2019	NA	filed	active
Indonesia	P00201901652	8/31/2017	NA	filed	active
Israel	264996	2/24/2019	NA	filed	active
Japan	2019-512609	2/27/2019	NA	filed	active
Jordan	PCT/JO/2019/25	2/19/2019	NA	filed	active
Malaysia	PI 2019001111	3/1/2019	NA	filed	active
Mexico	MX/a/2019/002377	2/27/2019	NA	filed	active
New Zealand	751102	3/1/2019	NA	filed	active
Philippines	1-2019-500422	2/27/2019	NA	filed	active
Russia	2019109011	3/28/2019	NA	filed	active
S. Korea	10-2019-7009407	4/1/2019	NA	filed	active
Saudi Arab	519401228	2/28/2019	NA	filed	active
Singapore	11201901762W	8/31/2019	NA	filed	active
South Africa	2019/01221	2/26/2019	NA	filed	active
Thailand	1901001255	2/28/2019	NA	filed	active
United Arab Emirates	P6000325/2019	3/3/2019	NA	filed	active
US/PCT	PCT/US2017/049747	8/31/2017	NA	filed	active
Vietnam	1-2019-01496	3/26/2019	NA	filed	active
Taiwan	106129838	8/31/2017	NA	filed	active

DATA PACKAGE

- Lilly Preclinical reports
- CSRs for Lilly PK studies
- CSR and publication for Lilly Pediatric GBM study

- Lilly DSURs for 2014 and Denovo DSUR for 2019
- Lilly Toxicology reports
- CMC summary information
- Investigator Brochure (IB)
- PCT/US IP applications
- Regulatory: Denovo DLBCL pre-IND meeting minutes from FDA, Denovo responses, FDA permission to proceed letter
- List of publications
    - Clinical studies
    - Non-clinical studies
- Such other information that is reasonably necessary or useful and reasonably attainable for a pre-IND meeting with FDA for the Licensed Product in the Field of Use

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Exhibit B

Exclusive License Agreement

EXCLUSIVE LICENSE AGREEMENT

This Exclusive License Agreement (this "***License***") is effective as of the License Effective Date (as defined below), by and between Rumpus VEDS, LLC, a Delaware limited liability corporation having a principal place of business at 300 Brookside Avenue, Amber PA 19002 ("***Licensee***"), and Denovo Biopharma LLC, a Delaware limited liability company having a principal place of business at 10240 Science Center Drive, Suite 120, San Diego, California 92121 ("***Licensor***"). Licensor and Licensee are referred to collectively as the "Parties" and each individually as a "Party."

BACKGROUND

WHEREAS, Licensor previously acquired certain intellectual property and other assets related to the Compound (as defined below) from Eli Lilly and Company ("***Lilly***") pursuant to an Asset Purchase Agreement between Licensor and Lilly dated September 14, 2014 (the "***Lilly Agreement***");

WHEREAS, Licensor is the owner of the Licensed Property, and wishes to grant Licensee an option to enter into a license on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Parties have previously entered into an Option Agreement dated December , 2019 (the "***Option Agreement***"), under which Licensee obtained an option to exclusively license the Licensed Property (the "***Option***");

WHEREAS, upon the exercise of the Option per the terms of the Option Agreement, Licensor shall license the Licensed Property as set forth herein, with the right to grant and authorize sublicenses, to make, have made, use, sell, offer for sale, import and otherwise exploit Licensed Products (hereinafter defined) for commercial use, pursuant to this License. All capitalized terms used in this License not otherwise defined in this License shall have the meanings given to such terms in the Option Agreement. This License is governed by and subject to the terms of the Option Agreement, provided that in the event of any conflict between the terms of the Option Agreement and this License, the terms of this License shall prevail.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, and for other good and valuable consideration, Licensor and Licensee agree as follows:

1. DEFINITIONS

For the purposes of this License, the following terms shall have the meanings given below:

1.1. ***"Johns Hopkins License***" shall mean a license from The Johns Hopkins University that allows Licensee to exploit Patent Application PCT/US19/56616 and any and all resulting patents in connection with the development and commercialization of a Licensed Product for the treatment of Vascular Ehlers Danlos Syndrome.

1.2. ***"License Effective Date***" shall mean the Option Exercise Date.

1.3. ***"Licensed Product***" means any material, compound, component, kit, composition of matter, article of manufacture, or product, the manufacture, use, sale, offer for sale or import of which: (i) incorporates any Licensed Information; (ii) the manufacture, use, sale, offer for sale or import of which, but for the license granted in this License would infringe, or contribute to, or induce the infringement of, any Valid Claim of a Licensed Patent; or (iii) the FDA approval of which relies upon Licensed Information that is regulatory information submitted to the FDA by Licensor.

1.4. ***"MAA***" means a new drug application filed with the FDA as more fully defined in 21 C.F.R. §314.50 et. seq., or similar application or submission filed with or submitted to any regulatory authority to obtain permission to commence marketing and sales of a Licensed Product in any particular jurisdiction.

1.5. ***"Marketing Approval***" shall mean, with respect to a Licensed Product in a particular jurisdiction, approval or other permission by the applicable regulatory authorities sufficient to initiate marketing and sales of such Licensed Product. For the avoidance of doubt, marketing approval shall mean the approval of marketing authorization application and, if applicable, pricing and reimbursement approval.

1.6. ***"Net Sales***" means the gross amount invoiced for the sale of Licensed Product by Licensee, its Affiliates, or Sublicensees less the following deductions to the extent actually incurred: (a) amounts repaid or credited by reason of return or rejection, (b) price allowances, commissions, and discounts actually allowed and taken; (c) rebates, reimbursements, fees, taxes or similar payments; and (d) reasonable charges for storage, delivery, transportation, and shipping to the extent included as a separate line item in the gross amount billed or invoiced. If a Licensed Product is billed, invoiced or otherwise transferred for non-monetary consideration, Net Sales shall be calculated based on the average amount charged for the Licensed Product in an arms-length transaction to an independent Third Party during the same Reporting Period in the same country or, in the absence of such sales, on the fair market value of the Licensed Product at the time of the transaction assuming an arms-length transaction made in the ordinary course of business.

1.7. ***"Phase III Trial***" means a human clinical trial in any country of the type described in 21 C.F.R. § 312.21(c) or otherwise provides data and information which results in a filed MAA by the sponsor of such clinical trial, or an equivalent clinical study required by a regulatory authority outside the United States. For purposes of this License, a human clinical trial that combines elements of two different phases of clinical trial shall be deemed to be the more advanced type of clinical trial (e.g., a Phase II/III trial shall be deemed a Phase III Trial).

1.8. ***"Regulatory Documents"*** means copies of all correspondence, papers, memoranda and files, stored electronically, related to the Compound or any product containing the Compound pursuant to the legal and regulatory requirements of FDA, reasonably necessary or material to Licensee's ability to develop and sell Licensed Products.

1.9. ***"Reporting Period"*** means the period that begins on the first day of each calendar quarter and ends on the last day of such calendar quarter.

1.10. ***"Royalty Term"*** means, on a country-by-country and Licensed Product-by-Licensed Product basis, the later of: (i) ten years after the date of the First Commercial Sale of Licensed Product; or (ii) the date of the expiration of all Valid Claims applicable to such Licensed Product in such country. For purposes of this definition, "First Commercial Sale" means the first *bona fide* arm's length sale or other disposition for value by or on behalf of Licensee or any of its Affiliates or Sublicensees of a Licensed Product.

1.11. ***"Sublicensee"*** means any Third Party to whom Licensee grants rights under the Licensed Property. An Affiliate is not considered a Sublicensee.

1.12. ***"Sublicensing Consideration"*** means all consideration other than amounts which are Net Sales (including but not limited to up-front license fees, license maintenance fees, and milestone payments) received by Licensee or its Affiliates from Sublicensees to the extent it represents payment in consideration for the grant of a sublicense under or to Licensed Patents (with any of the foregoing consideration received by Licensee or its Affiliate other than in the form of cash to be valued at its fair market value as of the date of receipt as reasonably determined by Licensee). Sublicensing Consideration shall specifically exclude: (a) funds paid to reasonably support research and development activities directly relating to further developing the Licensed Patents and/or for obtaining FDA approval for the sublicensed Licensed Product, including any compensation afforded to any contractor hourly rate or part-time or full-time employee salary; (b) Payments and related overhead for the provision of goods and/or services by Licensee or its Affiliates by a Sublicensee to compensate Licensee or its Affiliates for the fair market value of such goods and/or services; and (c) payments and reimbursements by any Sublicensee of patent costs or FDA maintenance costs incurred or to be incurred by Licensee or its Affiliate for support of the commercial development of Licensed Product.

1.13. ***"Territory"*** means worldwide.

1.14. ***"Valid Claim"*** means a claim which is covered by an issued and unexpired patent and which has not been held invalid or unenforceable by a decision of a court or governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been disclaimed, denied or admitted to be invalid, canceled or unenforceable by the owner through re-issue, re-examination or disclaimer, opposition procedure, nullity suit, or otherwise or is not enforceable by virtue of applicable law in such country.

2. LICENSE GRANTS; ADDITIONAL APPROVED INDICATIONS

2.1. Subject to the terms of this License, Licensor grants to Licensee a sole, transferable exclusive license, with a right to sublicense, under the Licensed Property to make, have made, use, have used, sell, offer to sell, import and otherwise commercially exploit Licensed Products in the Field of Use within the Territory.

2.2. In the event that the Licensee wishes to add a particular indication to the Field of Use as an Additional Approved Indication, the Licensee shall provide a written request to Licensor which sufficiently describes the proposed Additional Approved Indication and details the intellectual property rights of Licensee and supporting documentation and scientific reports regarding such proposed Additional Approved Indication (an "AAI Request"). Licensor will consider all requests for Additional Approved Indications in good faith, and will approve such requests unless Licensor reasonably concludes based upon written evidence provided by Licensor to Licensee that such proposed Additional Approved Indication has the potential to adversely impact the development and commercialization of Licensor's (or its sublicensee's) other products or programs. Licensor will provide a written notice to Licensee within thirty (30) days of receiving the AAI Request that provides Licensor's decision as to whether such proposed Additional Approved Indication will be added to the Field of Use for the purposes of this License, and, if Licensor provides Licensee approval of an Additional Approved Indication, the Additional Approved Indication shall be added to the Field of Use immediately.

2.3. Licensee shall have the right to grant sublicenses under the Licensed Property as necessary or useful to develop and/or commercialize Licensed Products. The right to sublicense granted to Licensee hereunder is subject to the following conditions:

(a) In each sublicense, which shall be in writing, the Sublicensee shall be subject to the terms and conditions of the license granted to Licensee hereunder and each sublicense agreement with a Sublicensee shall be consistent with the terms and conditions hereof to the extent applicable to such Sublicensee.

(b) Licensee shall notify Licensor and forward to Licensor, within thirty (30) days of execution, the name and address of each Sublicensee and furnish a true and correct copy of such sublicense and any modifications or terminations thereof upon written request of Licensor.

3. REPRESENTATIONS, ACKNOWLEDGMENTS AND COVENANTS

3.1. Licensor Representations. Licensor represents, warrants and covenants to Licensee that, as of the License Effective Date:

(a) it is duly organized and validly existing under the applicable laws of the jurisdiction of its incorporation, and has full corporate power and authority to enter into this License and to carry out the provisions hereof;

(b) it is duly authorized to execute and deliver this License and to perform its obligations hereunder, and the individual executing this License on its behalf has been duly authorized to do so by all requisite corporate action;

(c) this License is legally binding upon it and enforceable in accordance with its terms and the execution, delivery and performance of this License by it does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material applicable laws;

(d) it has not granted, and shall not grant during the Term, any right to any Third Party which would conflict with the rights granted to Licensee hereunder;

(e) it is not aware of any action, suit or inquiry or investigation instituted by any person which questions or threatens the validity of this License;

(f) it owns or otherwise has the right to license the Licensed Property to Licensee under the terms and conditions of this License;

(g) other than rights to the Licensed Property held by Lilly, the Licensed Property is free from any lien, restriction or other Encumbrance;

(h) there are no pending or, to Licensor's knowledge, threatened judicial, administrative or arbitral actions, claims, suits or proceedings pending as of the date hereof against Licensor or its Affiliates which, either individually or together with any other, could have a material adverse effect on the ability of Licensor to perform its obligations under this License or any agreement or instrument contemplated hereby or on the ability of Licensee to develop or commercialize the Compounds or Licensed Products;

(i) to Licensor's knowledge, the Licensed Property does not infringe or misappropriate the intellectual property of any Third Party and, to Licensor’s knowledge, there is no infringement or misappropriation of any component of the Licensed Property by Licensor or any Third Party;

(j) it has not received any written notice of any threatened claims or litigation seeking to invalidate or otherwise challenge the Licensed Patents or its rights therein;

(k) none of the Licensed Patents are subject to any pending re-examination, opposition, interference or litigation proceedings, and all such Licensed Patents have been properly filed and prosecuted;

(l) during the License Term, Licensor shall not enter into any discussions or negotiations with any Third Party regarding the licensing of the Compound in the Field of Use; and

(m) Licensor shall not initiate an opposition, secure or promote competitive behavior or otherwise challenge the exclusivity position of Licensee in respect to its commercialization of Licensed Products or the Compound.

3.2. Licensee Representations. Licensee represents, warrants and covenants to Licensor that, as of the License Effective Date:

(a) it is duly organized and validly existing under the applicable laws of the jurisdiction of its incorporation, and has full corporate power and authority to enter into this License and to carry out the provisions hereof;

(b) it is duly authorized to execute and deliver this License and to perform its obligations hereunder, and the individual executing this License on its behalf has been duly authorized to do so by all requisite corporate action;

(c) this License is legally binding upon it and enforceable in accordance with its terms and the execution, delivery and performance of this License by it does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material applicable laws;

(d) it is not aware of any action, suit or inquiry or investigation instituted by any person which questions or threatens the validity of this License;

(e) it is aware of the terms and provisions of the Lilly Agreement and that it will act in accordance with such terms and conditions at all times during the Term; and

4. CONSIDERATION

4.1. Option Exercise Fee: In connection with the Option Exercise, Licensee has paid Licensor a non-refundable, non-creditable payment in the amount of (the "Initial Option Exercise Fee"). In addition, Licensee shall pay Licensor a second non-refundable, non-creditable payment in the amount of no later than the first anniversary of the License Effective Date of this License.

4.2. Royalties and Milestones: Subject to the terms of this License, Royalties are to be applied on a Licensed Product-by-Licensed Product and country-by-country basis.

(a) Royalties: Licensee shall pay royalties to Licensor based upon a percentage of Net Sales during the Royalty Term (the "***Royalties***"). The Royalties shall be payable on Net Sales during each Reporting Period during the Royalty Term and shall be due to Licensor within thirty (30) days of the end of each Reporting Period. The Royalties shall be paid as follows:

(i) for aggregate annual Net Sales of up to five hundred million US dollars ($500,000,000).

(ii) for aggregate annual Net Sales from five hundred million US dollars ($500,000,000) up to one billion US dollars ($1,000,000,000).

(iii) for aggregate annual Net Sales over one billion US dollars ($1,000,000,000).

In the event that Licensor is able to successfully negotiate and enter into an amendment to the Lilly Agreement during the Royalty Term that reduces Licensor's royalty obligations to Lilly, then the Royalties payable by Licensee to Licensor under this Agreement will automatically be reduced by an amount equal to fifty percent (50%) of the reduction made in the amendment to the Lilly Agreement (for example, if Licensor's obligations to Lilly for royalties on net sales of up to five hundred million dollars are reduced by two percent (2%), then Licensee's royalty obligation to Licensee on Net Sales of up to five hundred million dollars will be reduced by one percent (1%) for an amended royalty rate of

In the event that Licensed Products are sold in combination with other products or services that are not Licensed Products, it is understood that the gross amount invoiced for the Licensed Product will be calculated by multiplying the gross amount invoiced for such combination sale by the fraction A/(A+B) where A is the gross amount invoiced for the Licensed Product sold separately and B is the gross amount invoiced for the other product(s) in the combination sale sold separately. If the other product(s) in the combination sale is not sold separately, then the gross amount invoiced for the Licensed Product shall be calculated by multiplying the gross amount invoiced for the combination sale by the fraction A/C, where A is the gross amount invoiced for the Licensed Product if sold separately, and C is the gross amount for the combination sale. If a particular combination sale is not addressed by the foregoing, Net Sales for Royalty determination shall be determined by the Parties in good faith accounting for items such as overhead cost of manufacturing a particular formulation comprising the Compound, the competitive market to sell such a formulation and any pricing restrictions of Licensee or its sublicensees to sell such a formulation to a Third Party.

(b) Milestone Payments: Subject to the terms of this License and the License, Licensee shall pay the following non-refundable, non-creditable, one-time milestone payments to Licensor as set forth below with such milestone payments to be paid by Licensee no later than thirty (30) days after the accomplishment of the applicable milestone as follows:

(i) upon the last patient last visit in the initial Phase III Trial of a Licensed Product;

(ii) upon the first Phase III Trial of a Licensed Product that meets one or more of the primary endpoints identified for such Phase III Trial;

(iii) upon the first filing of an MAA;

(iv) upon the first receipt of Marketing Approval in the United States of America.

(v) upon the first receipt of Marketing Approval in any EU country.

(vi) upon the first receipt of Marketing Approval in Japan.

(vii) after annual Net Sales for all Licensed Products in the United States exceed fifty million dollars ($50,000,000) for the first time.

(viii) after annual Net Sales for all Licensed Products in the United States exceed five hundred million dollars ($500,000,000) for the first time.

(ix) after annual Net Sales for all Licensed Products in the EU exceed twenty-five million dollars ($25,000,000) for the first time.

(x) after annual Net Sales for all Licensed Products in the EU exceed two hundred fifty million dollars ($250,000,000) for the first time.

(xi) after annual Net Sales for all Licensed Products in Japan exceed twenty-five million dollars ($25,000,000) for the first time.

(xii) after annual Net Sales for all Licensed Products worldwide exceed two billion dollars ($2,000,000,000) for the first time.

4.3. Annual Maintenance Fee: Subject to the terms of this License, Licensee shall pay Licensor an annual maintenance fee (“AMF”) of ( ) during the Term, with the first AMF being due and payable on the one year anniversary of the License Effective Date, and subsequent AMFs being due on each subsequent anniversary of the License Effective Date thereafter.

4.4. Sublicense Payments: Subject to the terms of this License, Licensee shall pay Licensor an amount equal to twenty percent (20%) of any Sublicensing Consideration received prior to first subject dosed in any clinical trial of a Licensed Product. Payment shall be due within thirty (30) days after such Sublicensing Consideration is received.

5. REPORTS

5.1. Licensee shall prepare royalty reports setting forth Net Sales during the applicable Reporting Period by Licensee, its Affiliates and its Sublicensees. These reports shall be delivered to Licensor with the payments made pursuant to Article 4 above.

5.2. With respect to Licensed Products that have received Marketing Approval, in the event no Net Sales of Licensed Products have been made by Licensee and/or its Affiliates or Sublicensees during any Reporting Period, an accurate written statement to that effect shall be delivered by Licensee to Licensor within thirty (30) days following the end of that Reporting Period.

6. RECORDS

Licensee shall maintain, and shall agree with its Affiliates and Sublicensees to maintain, accurate books of accounts and other records, in sufficient detail to allow the accuracy of the payments of Article 4 to be confirmed with Net Sales calculations of Licensed Products for three (3) years from the date of the most recent Reporting Period which may be necessary to ascertain and verify the Royalties payable under this License. Licensee shall contractually obligate its Sublicensees to keep such records pursuant to this Article 6. Upon the written request of Lilly or Licensor, Licensee and/or its Affiliates shall permit, after reasonable notice given to Licensee of applicable timing, an independent Certified Public Accountant no more than once a year, selected by and paid for by Licensor or Lilly, as applicable, to perform an audit at reasonable times during regular business hours for the purpose of verifying any report or payment required under this License. Results of any such review shall be binding on both parties absent manifest error. The accountant's report shall be confidential and shall be made available to both Parties. If any review reveals a deficiency in the calculation by more than five percent (5%), then Licensee, its Affiliates or Sublicensees: (a) shall promptly pay Licensor the amount remaining to be paid, and (b) if such underpayment is greater than the cost of the review, Licensee shall pay the reasonable out-of-pocket costs and expenses incurred by Licensor or Lilly, as applicable, in connection with the review. Licensee shall have substantially similar audit rights for itself in its agreements with any Sublicensee and agrees to share the results of any such audit with Licensor upon Licensor's written request.

7. DEVELOPMENTS

Any modifications or improvements, patented or unpatented, made to the Licensed Property by either Party during the Term shall be owned by the Party who discovered and created the modification or improvement. Each of such modifications or improvement owned by Licensor shall be added to the definition of Licensed Property such that Licensee shall have an exclusive license under any or all modification or improvement commensurate in scope to the license granted in Section 2.1. In the event that Licensee is the sole owner of a modification or improvement to the Licensed Property (a "***Licensee Invention***"), Licensee grants Licensor an exclusive, even as to Licensee, perpetual, transferable, fully-paid and royalty-free license, with the right to sublicense, under the Licensee Invention to make, have made, use, have used, sell, offer to sell, import, and otherwise develop and commercialize products outside of the Field of Use. In the event that Licensee develops, creates or otherwise obtains an invention or other item which: (i) does not constitute a modification or improvement of Licensed Property; and (ii) is reasonably necessary or useful for the development or commercialization of the Compound (an "***Independent Invention***"); then Licensee grants Licensor a limited, royalty-free, fully-paid, non- exclusive license to such Independent Invention solely for internal research purposes, but Licensor may negotiate additional license terms to any such Independent Invention for commercially-reasonable terms. The ownership of other discoveries, inventions, improvements and other technology, whether or not patentable, made by Licensor's and/or Licensee's personnel and unrelated to the Compound, the Licensed Property and the other subject matter of this License shall be determined in accordance with United States patent law and state intellectual- property law, as applicable.

8. PROVISION OF LICENSED INFORMATION; DRUG SUPPLY

8.1. Following the Option Exercise, Licensor shall provide the items listed in Exhibit C to Licensee. Licensor shall also, upon Licensee's reasonable request, make its personnel available to support Licensee's regulatory package(s) in connection with the commercialization of Licensed Products under this License, including support for interviews and meetings with FDA or non-US equivalent regulatory authorities. If any Licensor employee assists Licensee in any of the aforementioned support activities or such activities associated with Section 8.2, Licensee shall reimburse Licensor at the FTE Rate for such support ("FTE Expenses") with the total number of hours per month not to exceed 40 hours, provided that the Parties may mutually agree to exceed forty hours per month if Licensee reasonably requires additional time to successfully commercialize any Licensed Product within a diligent timeframe under its research and development plans. Licensor shall invoice Licensee on a monthly basis for reimbursement of FTE Expenses, with each such invoice being due ten (10) days after Licensee's receipt of then invoice.

8.2. Licensor agrees that Licensee shall have the right of reference to the Compound's IND application and Licensor shall provide a right of reference letter to the FDA if requested by Licensee.

8.3. After the Option Exercise, Licensor agrees to provide or make available to Licensee all Licensed Property reasonably likely to be necessary or useful for commercialization of Licensed Products by the Licensee in the Field of Use, including those items set forth in Exhibit C hereto, such as regulatory approvals, regulatory filings, clinical data, and other data, documentation and information (including commercial information) related to Licensed Products.

8.4. Following the Option Exercise and within a reasonable period of time not less than three months prior to submission of an IND or foreign equivalent thereof, the Parties agree to review terms of a manufacturing and supply agreement that will permit Licensee to acquire sufficient amounts of Compound from Licensor necessary for the development of Licensed Products. Subject to Licensee fully vetting the manufacturing protocol, the site for such manufacturing and the competitive pricing for such manufacturing, Licensor will arrange for a third party manufacturer to produce Compound for the benefit of Licensee to be purchased directly from the Licensor. Notwithstanding the other provisions of this License, Licensee shall not manufacture Compound during the Term and shall not obtain Compound from any source other than Licensor.

8.5. Licensee will have the right to select the Licensed Product's names and all trademarks used in connection with the exploitation of the Licensed Product in the Field of Use in the Territory, including special promotional or advertising taglines (all such trademarks, including all goodwill associated therewith, and all applications, registrations, extensions and renewals relating thereto, will be referred to as the "***Program Trademarks***"), and to apply to register, register, and maintain such Program Trademarks in the Territory as Licensee determines reasonably necessary. If any regulatory authority requires Licensee to use any trademark owned by Licensor (a "***Licensor Tradema***rk") as a condition for the Marketing Approval of a Licensed Product, Licensor agrees to grant Licensee a non-exclusive, royalty-free license to the Licensor Trademark, with the right to sublicense through one or more tiers, to apply to register, register, maintain, and use such Licensor Trademark solely in connection with the commercialization of such Licensed Product in the Territory during the License Term, and Licensee will have the right to exercise such license through its Affiliates. Licensee will comply with Licensor's brand usage guidelines provided to Licensee in its application, registration, maintenance, and use of any Licensor Trademark. Licensee has no obligation to ensure that, and provides no guarantee that, any applications for the registration of any Licensor Trademark issues to a registered trademark in the Territory.

8.6. Licensee shall be the exclusive owner of the Program Trademarks other than any licensed Licensor Trademarks, if applicable. Notwithstanding their application or registration in the name of Licensee, Licensor will be the exclusive owner of any Licensor Trademarks applied to be registered, registered, or maintained by Licensee in the Territory.

9. PUBLICATION

Licensor will retain the right to publish any of its clinical data related to the Compound outside of the Field of Use subject to the terms of this License. Licensee will retain the right to publish any of its clinical data related to the Compound within the Field of Use at its discretion, provided that in the event Licensee wishes to publish clinical data related to the Compound, it will provide a draft of such publication to Licensor at least thirty (30) days prior to submission for Licensor review. Licensee agrees that it will edit the content of the proposed publication to the extent that Licensor reasonably believes the original content of the proposed publication has the potential to adversely impact the development and commercialization of Licensor's (or its sublicensee's) other products or programs.

10. TERM AND TERMINATION

10.1. This License shall be effective as of the License Effective Date and remain in effect until, on a country-by-country and Licensed Product-by-Licensed Product basis, there is no remaining royalty payment or other payment obligation in such country with respect to such Licensed Product ("***License Term***"). The License Term shall expire on the date this License has expired with respect to all Licensed Products in all countries in the Territory.

10.2. Licensee may, in its sole discretion, terminate this License upon sixty (60) days prior written notice to Licensor if it decides to no longer pursue the development and commercialization of the Compound or if Licensor files, or has filed against it, a petition or proceeding under any bankruptcy, or if Licensor's business shall be placed in the hand of a receiver or trustee, whether or not by a voluntary act of Licensor.

10.3. Licensor may terminate this License on thirty (30) days' advance notice if Licensee files, or has filed against it, a petition or proceeding under any bankruptcy, or if Licensee's business shall be placed in the hand of a receiver or trustee, whether or not by a voluntary act of Licensee. Upon termination of this Agreement by Licensor pursuant to this Section 10.3 (but not expiration of this License Agreement), the following provisions will apply:

10.3.1. Ongoing Trials. If there are any ongoing clinical trials with respect to the Licensed Product being conducted by or on behalf of Licensee or its Affiliates or Sublicensees at the time of the notice of termination, Licensee agrees to promptly terminate such clinical trials in an orderly manner that ensures patient safety, continuity of treatment, if appropriate, and compliance with applicable laws. Upon early termination of this License Agreement, the Parties will cooperate to provide for an orderly cessation of any clinical trials. Each Party further agrees to take no action or forego taking action if such action or forbearance would in any manner jeopardize patient safety or cause the other Party to violate any applicable laws.

10.3.2. Commercialization. To ensure patient safety, continuity of treatment, if appropriate, and compliance with applicable laws, if this License Agreement is terminated after the First Commercial Sale of the Licensed Product, Licensee and its Affiliates and Sublicensees will be permitted to continue to sell and provide such Licensed Product in the Field in the Territory, in accordance with the terms and conditions of this Agreement, to patients who have already been scheduled to be treated or who have already commenced treatment using the Licensed Product, in each case, as of the notice of termination, for a period of time reasonably sufficient for such patients to complete their treatment using the Licensed Product, but in any event, not to exceed 24 months from the effective date of such termination (the "Wind-Down Period").

10.4. If either Party fails to fulfill any material obligation under this License or commits a breach or default of any term(s) or condition(s) contained herein, the non-breaching Party may, at its option and in addition to any other remedies it may have at law or in equity, terminate this License upon written notice to the breaching Party. The Party receiving notice of the breach shall have the opportunity to cure that breach within thirty (30) days of receipt of notice. If the breach is not cured, the termination will be effective upon the end of such cure period, unless the non-breaching Party agrees in writing to waive or suspend its right to termination.

10.5. Any failure of either Party to this License to terminate hereunder shall not be deemed a waiver thereof nor shall it be a condonation of such default or breach of any future default or breach.

10.6. Termination of this License by either Party for any reason shall not affect and shall be without prejudice to the rights and obligations of the Parties accrued prior to the effective date of said termination.

10.7. Sections 8.6, 10.3.1, 10.3.2, 10,7, 10.8, 11.2, 11.3, 12.1, 15.4, 15.6 and Articles 1, 3, 6, 9, 13, 14 and 16 - 19 shall survive expiration or termination of this License for any reason.

10.8. Licensor shall notify Licensee no less than (30) days' advance notice if Licensor loses or suspects the loss of the right to sublicense rights to the Licensed Property per the terms of the Lilly Agreement; and, in such a case, Licensor shall facilitate communication between Lilly and Licensee so that Lilly and Licensee may engage in discussions regarding a business arrangement with Licensee during or after commercialization of one or more Licensed Products. All licenses granted under this Agreement are deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of right to "intellectual property" as defined in Section 101 of such Code. The Parties agree that Licensee may fully exercise all of its rights and elections under the U.S. Bankruptcy Code and any foreign equivalent thereto in any country having jurisdiction over a Party or its assets. The Parties further agree that, in the event a Licensee elects to retain its rights as a licensee under such Code, such Licensee shall be entitled to complete access to any technology licensed to it hereunder and all embodiments of such technology. Such embodiments of the technology shall be delivered to such Licensee not later than fifteen (15) days after any filing or initiation of any bankruptcy proceeding.

10.9. Licensor may terminate this License upon thirty (30) days prior written notice to Licensee if: (i) the Johns Hopkins License terminates during the License Term; and (ii) Licensor reasonably concludes that the rights granted under such agreement are a material component for the continued development or commercialization of any Licensed Product for the treatment of Vascular Ehlers Danlos Syndrome (vEDS).

11. INFRINGEMENT

11.1. Each Party shall promptly notify the other Party in writing of any actual or threatened infringement, misappropriation or other violation by a Third Party of any Licensed Patent ("Third Party Infringement") of which it becomes aware.

11.2. Licensor shall have, at its sole option and discretion, the first opportunity to address potential unauthorized or unlawful uses of the Licensed Patents or defense of any opposition, declaratory judgment (each, an "Enforcement Action") at Licensor's expense, provided that, if any infringing activity relates to Licensee's Field of Use, Licensor will provide notice to Licensee no less than thirty (30) days prior to initiating any action so that Licensee may consult with Licensor on strategy, prosecution and settlement, as applicable. Licensor shall have six (6) months after receiving written notification of an alleged unlawful use of the Licensed Patents to decide whether it shall pursue the alleged infringer or unlawful party and notify the Licensee of its decision. If Licensor decides to pursue the alleged infringer or unlawful party, Licensor shall control any and all discussions, negotiations, litigation and/or other dispute resolution but Licensor shall continue to consult with Licensor on strategy, prosecution and settlement, as applicable. Licensee shall join as a party to any infringement suit brought by Licensor as required to ensure standing of Licensor. Financial recoveries from any such litigation will first be applied to reimburse both Parties for their share of litigation expenditures on a pro rata basis. The remainder of the recoveries shall be retained by Licensor.

11.3. Licensor shall keep Licensee reasonably informed of the progress of any such Enforcement Action, and Licensee shall have the right to participate with counsel of its own choice at its own expense. In any event, the Licensee shall reasonably cooperate with the Licensor, including providing information and materials, at the Licensor's request and expense. Licensor shall also have the right to control settlement of such Enforcement Action; *provided, however,* no settlement shall be entered into without the consent of the Licensee if such settlement would materially and adversely affect the interests of the Licensee.

11.4. If Licensor does not file suit against a substantial infringer of Licensed Patents within six (6) months of knowledge thereof, then Licensee may enforce the Licensed Patents on behalf of itself and Licensor after providing Licensor thirty (30) days' notice of its intent to file a suit for infringement. Financial recoveries from any such litigation will be applied to reimburse both Parties for their share of litigation expenditures on a pro rata basis and any remainder of recoveries will be retained by Licensee, but considered Net Sales of Licensed Product and subject to a Royalty payment pursuant to Article 4.

11.5. To the extent permitted by applicable law, Licensee agrees that it shall not, and it shall cause its Affiliates and Sublicensees to not, directly or indirectly through assistance granted to a Third Party, seek to invalidate, make any statement to a Third Party asserting the invalidity of, commence any interference or opposition proceeding, or challenge the validity or unenforceability of any Licensed Patent.

12. PATENT FILING AND MAINTENANCE

12.1. Following the License Effective Date, Licensor shall be responsible for the filing and maintenance expenses (including attorney fees) related to the Licensed Patents arising after the License Effective Date. In the event that Licensor fails to take any filing or maintenance actions less than thirty (30) days before such actions are due, then Licensee shall have the right to take such action and the underlying patent subject to such action will no longer be deemed a Licensed Patent solely for the purposes of calculating Royalties under this License.

12.2. Licensor shall have the right to control the prosecution and maintenance of the Licensed Patents using counsel of its own choice. Licensor agrees to (i) keep Licensee reasonably informed with respect to the prosecution and maintenance of any Licensed Patents (including providing to Licensee copies of all material documents sent to or received from any patent office regarding any such Licensed Patents); (ii) provide Licensee a reasonable opportunity to review and comment on any draft patent application or other material filing or correspondence with any patent office reasonably in advance of its filing or submission and consider Licensee's reasonable comments and suggestions in good faith; and (iii) consult in good faith with Licensee regarding the general strategy or any material step for the prosecution and maintenance of any Licensed Patents and consider Licensee's reasonable comments and recommendations with respect thereto in good faith; provided that any review and input provided by Licensee shall be at its own expense. In the event that Licensor decides to cease prosecuting or maintaining any particular Licensed Patent, Licensor will notify Licensee of such decision at least thirty (30) days prior to any filing or maintenance action being due, and such patent will cease being a Licensed Patent under this License.

12.3. Each Party shall reasonably cooperate with the other in the preparation, filing, prosecution, and maintenance of Licensed Patents. The Parties shall use their Commercially Reasonable Efforts to accommodate reasonable concerns and suggestions for filing, prosecuting, and maintaining the Licensed Patents, to ensure that the Licensed Patents adequately address the current and future commercial and business needs of Licensor. In connection with the filing, prosecution, and maintenance of the Licensed Patents, Licensor agrees that it will collaborate with Licensee and consider the reasonable concerns and suggestions of Licensee.

13. DISCLAIMER OF WARRANTIES

EXCEPT AS OTHERWISE PROVIDED HEREIN, THE INTELLECTUAL PROPERTY LICENSED UNDER THIS AGREEMENT IS PROVIDED ON AN "AS IS" BASIS, AND LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT THERETO. BY WAY OF EXAMPLE BUT NOT OF LIMITATION, LICENSOR MAKES NO REPRESENTATION OR WARRANTIES (i) OF COMMERCIAL UTILITY; OR (ii) OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

14. LIMITATION OF LIBILITY

OTHER THAN (I) LIABILITIES ARISING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A PARTY OR (II) A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER ARTICLE 16, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY OF ITS OFFICERS, EMPLOYEES OR AGENTS, INCLUDING SUBLICENSEES, FOR LOST PROFITS OR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS OR ECONOMIC LOSS, AND FURTHER INCLUDING INJURY TO PROPERTY, AS A RESULT OF A BREACH OF ANY WARRANTY OR ANY MATERIAL OBLIGATION OF THIS AGREEMENT, REGARDLESS OF WHETHER THE PARTY ALLEGEDLY LIABLE WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF.

15. DILIGENCE; ALLIANCE MANAGEMENT

15.1. Following the Option Exercise, Licensee shall use Commercially Reasonable Efforts, either directly, or through one or more of its Affiliates or Sublicensees, to develop and commercialize Licensed Products.

15.2. As soon as practicable following the Option Exercise, but no later than three (3) months after the Option Exercise Date, the Licensee shall prepare and provide to Licensor a development plan, setting forth in reasonable detail the activities to be conducted by or under authority of Licensee for the development of Licensed Products, including timeline and therefor (the "Development Plan"). The Development Plan will at all times reflect Licensee's best estimate of the activities necessary or appropriate to obtain Marketing Approvals and associated labeling, pricing and reimbursement approvals necessary to bring Licensed Products to the market in a practicable manner. Licensee, on an annual basis, shall provide Licensor with a written update regarding the performance of material activities pursuant to the Development Plan, including summaries of results and conclusions generated therefrom.

15.3. Following the Option Exercise, the Parties agree to form a joint steering committee (the "JSC") to coordinate communications and collaboration related to the development and commercialization of Licensed Products. The JSC will be comprised of three members selected by Licensee and two members selected by Licensor. The chairperson of the JSC (the "Chair") shall be selected by the Licensee and shall be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting, and for preparing, circulating and receiving comments on draft minutes of each meeting. The JSC shall meet quarterly, either in person or telephonically, unless otherwise mutually agreed. The JSC shall:

(a) be responsible for reviewing and making research-related recommendations as stipulated in the Development Plan (as described below), including agreeing on updates to the Development Plan, objectives, critical success factors and timeline;

(b) provide consultation to the Parties concerning the protection and development of intellectual property rights related to Licensed Products;

(c) provide consultation to the Parties regarding the exchange of scientific data generated as a result of the activities conducted pursuant to the Development Plan;

(d) be a forum for the identification and exchange of information between the Parties, including Licensed Information, concerning the development or commercialization of Licensed Products; and

(e) seek to resolve any disagreements between the Parties relating to the conduct of the Development Plan.

15.4. In the event that the JSC is unable to come to a consensus or agreement on a particular issue, decision or other matter that relates solely to the Licensed Products and does not otherwise relate to the development and commercialization of Licensor's (or its sublicensee's) other products or programs, the final resolution of such issue, decision or other matter shall be determined by the Licensee. Any unresolved issue, decision or other matter that relates to the development and commercialization of Licensor's (or its sublicensee's) other non-competing products or programs, however, will require the mutual agreement of the Licensor and the Licensee.

15.5. During the term of this License, each Party agrees to promptly provide to the other Party any new safety information related to the Compound or any Licensed Product which is material to the safety and welfare of a person using, receiving or taking any Licensed Product. The Parties also agree, subject to any applicable confidentiality restrictions, to provide the other Party with all FDA or non-US equivalent information or submission packages on a forward-going basis relevant to any Licensed Product to facilitate any and all Partys' communication with governmental regulatory authorities.

15.6. Notwithstanding any terms to the contrary in this License, Licensee shall be the owner of any and all regulatory information and data submission packages to the extent solely related to any Licensed Product, including, but not necessarily limited to, all communication with the FDA or non-US equivalent thereof and all applications or paperwork filed with such agencies. Licensor agrees and acknowledges that Licensee shall be the Marketing Authorization Holder of any and all Licensed Products under this License and shall independently control IND preparation and submission, NDA preparation and submission, and all trademark and package insert materials related to Licensed Products.

15.6.1. Licensee will be responsible for all regulatory activities leading up to and including the obtaining of the regulatory approvals for the Licensed Product, at its sole cost and expense. All regulatory filings and regulatory approvals for the Licensed Product in the Territory will be applied, obtained, maintained, and retained by Licensee or its designee in Licensee's or its designee's name. Licensee will keep Licensor informed of regulatory developments related to the Licensed Product in the Territory and will promptly notify Licensor in writing of any decision by any regulatory authority in the Territory regarding the Licensed Product.

15.6.2. Licensor hereby grants to Licensee the right of reference to all regulatory filings pertaining to Licensed Product in the Field of Use submitted by or on behalf of Licensor or its Affiliates.

16. INDEMNIFICATION

16.1. Licensor hereby agrees to defend, hold harmless and indemnify Licensee and its Affiliates, and its and their agents, directors, officers and employees (the "Licensee Indemnitees") from and against any liability or expense (including reasonable legal expenses and attorneys' fees) (collectively, "Losses") resulting from suits, claims, actions and demands, in each case brought by a Third Party (each, a "Claim") against any Licensee Indemnitee to the extent arising out of: (i) the negligence or willful misconduct of Licensor; (ii) a breach of this License by Licensor; or (iii) Licensor's use, storage or production of the Compound outside the scope of this License; (iv) the use, commercialization, manufacture, development or sale of products incorporating the Compound outside of the Field of Use. Licensor's obligations to the Licensee Indemnitees pursuant to the foregoing sentence shall not apply to the extent that any such Losses arise from the negligence or intentional misconduct of, or breach of this License by, any Licensee Indemnitee.

16.2. Licensee hereby agrees to hold harmless and indemnify Licensor and its Affiliates, and its and their agents, directors, officers and employees (the "Licensor Indemnitees") from and against any and all Losses resulting from a Claim arising from: (i) the use, commercialization, manufacture, development or sale of Licensed Products; (ii) the negligence or willful misconduct of Licensee; or (iii) a breach of this License by Licensee. Licensee's obligations to the Licensor Indemnitees pursuant to the foregoing sentence shall not apply to the extent that any such Losses arise from the negligence or intentional misconduct of, or breach of this License by, any Licensor Indemnitee.

16.3. The Party intending to claim indemnification under this Article 16 (an "Indemnified Party") shall promptly notify the other Party (the "Indemnifying Party") of any Claim in respect of which the Indemnified Party intends to claim such indemnification (provided, that no delay or deficiency on the part of the Indemnified Party in so notifying the Indemnifying Party will relieve the Indemnifying Party of any liability or obligation under this License except to the extent the Indemnifying Party has suffered actual and material prejudice directly caused by the delay or other deficiency), and the Indemnifying Party shall assume the defense thereof (with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party) whether or not such Claim is rightfully brought; *provided, however,* that an Indemnified Party shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnified Party, unless the Indemnifying Party does not assume the defense or unless a representation of both the Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate due to the actual or potential differing interests between them, in which case the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Indemnifying Party. (Provided, that in no event shall the Indemnifying Party be required to pay for more than one separate counsel no matter the number or circumstances of all Indemnified Parties.) The Indemnified Party, and its employees and agents, shall cooperate fully with the Indemnifying Party and its legal representatives in the investigations of any Claim. The Indemnifying Party shall not be liable for the indemnification of any Claim settled (or resolved by consent to the entry of judgment) without the written consent of the Indemnifying Party. Also, if the Indemnifying Party shall control the defense of any such Claim, the Indemnifying Party shall have the right to settle such Claim; *provided,* that the Indemnifying Party shall obtain the prior written consent (which shall not be unreasonably withheld or delayed) of the Indemnified Party before entering into any settlement of (or resolving by consent to the entry of judgment upon) such Claim unless (A) there is no finding or admission of any violation of law or any violation of the rights of any person by an Indemnified Party, no requirement that the Indemnified Party admit fault or culpability, and no adverse effect on any other claims that may be made by or against the Indemnified Party and (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party and such settlement does not require the Indemnified Party to take (or refrain from taking) any action. Regardless of who controls the defense, the other Party hereto shall reasonably cooperate in the defense as may be requested. Without limitation, the Indemnified Party, and its directors, officers, advisers, agents and employees, shall cooperate fully with the Indemnifying Party and its legal representatives in the investigations of any Claim.

16.4 In the event a subpoena or other court order requiring personal appearance or production of documents is received by Licensor in respect of litigation that Licensee is involved in and to which Licensor is not a party, Licensee agrees that Licensor shall obtain its own counsel and Licensee agrees to indemnify Licensor from and against any and all costs and expenses (including reasonable legal fees and expenses) reasonably relating to responding to such subpoena and any required internal investigations.

17. NOTICES

Notices required under this License shall be in writing and sent by electronic mail with confirmation of receipt, or by mail or by courier that requires acknowledgment of receipt to the applicable Party. Until otherwise notified in writing, all notices given or made to the Parties shall be addressed as follows:

Notices to Licensor
Denovo Biopharma LLC
Attn: CEO
10240 Science Center Drive, Suite 120
San Diego, California 92121

With a copy to (which shall not constitute notice):

Agiletic Law Group, PC
Attn: James Cartoni
15030 Avenue of Science, Suite 201
San Diego, California 92128

Notices to Licensee

Rumpus VEDS, LLC
Attn: Nathan Massari
300 Brookside Avenue
Building 4, Suite 125
Ambler, Pennsylvania 19002

With a copy to (which shall not constitute notice):

Ballard Spahr LLP
1735 Market Street
51st Floor
Philadelphia, PA 19103
Attn: John A. Zurawski, Esq.

Any notice given in accordance with this License shall be effective upon receipt by the addressee.

18. CONFIDENTIALITY

18.1. Each Party agrees that it shall not, without the prior written consent of the other Party, disclose the existence or terms and conditions of this License, provided that either Party may disclose the existence or terms and conditions of this License: (i) to its employees and consultants who have a need to know and to investors, prospective investors, prospective acquirers, and professional advisers; provided that such employees and consultants, investors, prospective investors, prospective acquirers and professional advisers have agreed in writing to keep such information in confidence, or, in the case of professional advisers, are bound by ethical duties respecting such confidential information; or (ii) as required by applicable laws (based on the advice of such Party's legal counsel).

18.2. The Parties shall retain in confidence all unpublished information received from the other Party and any other information customarily thought of as confidential in industry (the "Information"), and shall not use that Information for any purpose other than in the course of performance of their obligations under this License. Licensor shall not use any Information from Licensee to improve, rely upon or otherwise enhance the research and development plan or commercialization efforts of an asset within the Field of Use or the asset of a Third Party. The obligation to retain such unpublished Information in confidence shall apply to all Information received by the other Party, whether written, oral, or in electronic form, and shall apply whether or not written and/or electronic form information is labeled as being "confidential" or "trade secret" or with any other proprietary notification.

18.3. All Licensed Information shall remain the property of Licensor. All Information disclosed by Licensee shall remain the property of Licensee. Upon termination or expiration of this License, all physical manifestations of any Information in receiving Party's possession shall be returned to the disclosing Party. Upon receiving such a request, receiving Party shall also erase or destroy any Information stored in any computer memory or in any other data storage media or apparatus except for one digital copy retained for archival purposes. Further upon receiving such a request, the receiving Party shall certify in writing to the disclosing Party that all such Information, whether in original or copied form, has been returned to the receiving Party or destroyed in accordance with this Section 18.3.

18.4. The obligations of confidence in this Sections 18.2 and 18.3 shall not apply to (a) Information developed independently by either Party that is not derived from any Information; (b) Information Licensee receives from a third party who did not receive the Information directly or indirectly from Licensor under an obligation of confidentiality; (c) Information now in or entering the public domain through no breach by Licensee of their obligations hereunder; (d) Information, as demonstrated by written evidence, already known to other Party; or (e) Information that is required to be disclosed by law, provided the Party receiving the Information promptly notifies the disclosing Party in writing of such lawful disclosure.

18.5. Notwithstanding Section 18.4, Licensor shall retain in confidence all materials received from Licensee, including but not limited to business plans, corporate documents, and research proposals, and shall not use that information for any purpose other than in the course of performance of its obligation under this License. The obligation to retain such unpublished information in confidence shall apply to all information the Licensor receives, whether written, oral, or in electronic form, and shall apply whether or not written and/or electronic form information is labeled as being "confidential" or "trade secret" or with any other proprietary notification.

19. MISCELLANEOUS

19.1. The Parties hereto agree to be bound by all terms and conditions of this License and further acknowledge that this License constitutes the entire agreement between the Parties with respect to the subject matter thereof and merges all prior communications therein. This License shall not be modified except by a written agreement signed by duly authorized representatives of Licensor and Licensee.

19.2. In the event any provision of this License shall be deemed by a court of competent jurisdiction to be invalid or unenforceable for any reason, such invalidity or unenforceability shall attach only to such provision, and such ruling shall not affect the validity or enforceability of the remainder of this License. Notwithstanding the foregoing, if such ruling substantially impairs the value of the entire Agreement as to either Party, the Parties shall enter into good faith negotiations aimed at modifying the entire Agreement in a manner that compensates such Party for the lost value.

19.3. The captions, headings, and section numbers used in this License are intended for convenience only and shall not limit, explain or modify the scope or intent of such sections or otherwise affect construction or interpretation of this License.

19.4. This License shall be interpreted and construed in accordance with the laws of the State of Delaware.

19.5. The written consent of Licensor will be required for Licensee's assignment of this License, provided that the Agreement shall be assignable by Licensee, in whole, but not in part, voluntarily or involuntarily, without Licensor's consent by any merger or consolidation of Licensee, or sale of substantially all of the Licensee's business to which this License relates, as long as the assignee or successor agrees in writing to assume and be responsible for the obligations of Licensee hereunder.

19.6. If any dispute arises between the Parties hereto concerning this License or their respective rights, duties and obligations hereunder, the Party prevailing in such proceeding shall be entitled to reasonable attorneys' fees and costs in addition to any other relief that may be granted.

19.7. This License may be signed in counterparts, and by the Parties to it on separate counterparts, each of which is an original however, all of which taken together shall constitute one and the same original instrument, notwithstanding any electronic transmission, storage and printing of copies of this License from computers or printers. For clarity, facsimile signatures and signatures transmitted via pdf shall be treated as original signatures.

19.8. The Parties are independent contractors under this License. Nothing contained in this License is intended nor is to be construed so as to constitute the Parties as partners or joint venturers. Neither Party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any other contract, agreement, or undertaking with any Third Party.

EXHIBIT C: Tech Transfer Items

- Global regulatory documents provided by Lilly (ex-CMC) that are reasonably necessary or useful and reasonably attainable for the further development, regulatory approval or commercialization of Licensed Products in the Field of Use
    - Submissions to regulatory authorities, such as pre-IND submission(s), EOP2 meeting submissions, orphan drug designations, etc.
    - EOP2 meeting minutes
    - SPA(s) (if applicable)
- Such other information that is reasonably necessary or useful and reasonably attainable for the further development, regulatory approval or commercialization of Licensed Products in the Field of Use, such as regulatory approvals, regulatory filings, clinical data, and other data, documentation and information (including commercial information and safety information related to any adverse events) related to Licensed Products.

EXCLUSIVE LICENSE AGREEMENT
Johns Hopkins University and Rumpus VEDS, LLC
JHU Agreement Number A36035

This AGREEMENT is entered into by and between the Johns Hopkins University ("JHU"), a Maryland corporation having an address at 3400 N. Charles Street, Baltimore, Maryland, 21218-2695 and Rumpus VEDS, LLC, ("LICENSEE"), a Delaware limited liability company having an address at 300 Brookside Avenue, Building 4, Suite 125, Ambler, Pennsylvania 19002 and is effective on the 20th day of December, 2019 ("EFFECTIVE DATE").

RECITALS

A. JHU owns, by assignment or otherwise from members of its faculty and staff, certain valuable inventions, know-how, data, material, as specified in Exhibit A-1, which JHU desires to have commercialized to make useful products and services available for the benefit of the public, including members of undeveloped countries and poor populations, as soon as possible, in accordance with JHU's mission and purpose.

B. Dr. Harry C. Dietz is an employee of Howard Hughes Medical Institute ("HHMI") and has assigned his rights in the LICENSED RIGHTS to HHMI and such HHMI rights have been assigned to JHU, subject to certain rights retained by HHMI.

C. JHU and Rumpus Therapeutics, LLC a Delaware corporation having an address at 300 Brookside Avenue, Ambler, Pennsylvania 19002 ("OPTIONEE") entered into an option agreement (A34852) on December 15, 2018 and OPTIONEE subsequently exercised the option on November 8, 2019.

D. LICENSEE is an AFFILIATE start-up entity formed through the actions of OPTIONEE.

E. LICENSEE desires to obtain certain rights in accordance with this AGREEMENT so that it may develop, manufacture, use and/or distribute certain products and services for public use and benefit as soon as possible.

The parties agree, with the intent to be legally bound, as follows:

1. DEFINITIONS AND SCOPE

Capitalized terms have the meanings provided by Exhibit B or as defined in the body of this AGREEMENT.

2. GRANT OF LICENSES

2.1. **Grant of Exclusive Patent License**. Subject to this AGREEMENT, JHU grants LICENSEE an exclusive license under the LICENSED PATENTS to make, have made, use, have used, import, export, offer to sell and sell and otherwise commercially exploit LICENSED PRODUCTS in the LICENSED TERRITORY and FIELD OF USE and to grant SUBLICENSES.

2.2. **Grant of Non-Exclusive Right to Use Data, Know-How, Materials.** JHU grants LICENSEE a non-exclusive right to use the LICENSED DATA, LICENSED KNOW- HOW, or LICENSED MATERIALS existing as of the EFFECTIVE DATE of this AGREEMENT and as identified in and subject to restrictions identified in Exhibit A-1.

This right to use is granted solely to LICENSEE to permit LICENSEE to develop and commercialize LICENSED PRODUCTS in the LICENSED TERRITORY in the FIELD OF USE.

2.3. **Affiliate Rights and Obligations**. The LICENSED RIGHTS granted herein extend to AFFILIATES, except that AFFILIATES may not grant SUBLICENSES to non- AFFILIATE without prior written notice to JHU, and JHU's written consent (such consent not to be unreasonably withheld) for as long as LICENSEE has exclusive rights under this AGREEMENT. An AFFILIATE that exercises rights under this AGREEMENT shall automatically be bound by all terms and conditions of this AGREEMENT, including but not limited to indemnity and insurance provisions and the obligation to pay ROYALTIES. All acts or omissions by an AFFILIATE shall be considered acts or omissions of LICENSEE, which is, and shall remain, liable for them.

2.4. **Sublicense Notification**. LICENSEE shall provide a complete and unredacted copy of each SUBLICENSE to JHU within thirty (30) days of execution. Each SUBLICENSE shall (i) expressly reference this AGREEMENT and declare void and unenforceable against JHU any terms contrary to this AGREEMENT; (ii) prohibit sublicensing by the SUBLICENSEE without the prior consent from JHU at least thirty (30) days prior to execution of any such sublicense; (iii) expressly incorporate the Sections (inclusive of subsections) of this AGREEMENT numbered 4, 5, 6, 7, 8, 9, 10, 11, and 12 for the benefit of JHU and, as applicable, HHMI and the HHMI Indemnitees, including, without limitation, the obligations, terms and conditions regarding indemnification, insurance and HHMI's third party beneficiary status; and (iv) acknowledge JHU as a third party beneficiary of the SUBLICENSE having the right to audit and enforce its terms and (v) expressly require SUBLICENSEE to provide LICENSEE diligence reports on an annual basis for the express purpose of providing those SUBLICENSEE diligence reports to JHU. In addition, each SUBLICENSE shall provide for its own immediate termination or expiration upon termination or expiration of this AGREEMENT, unless LICENSEE's entire right and interest in such SUBLICENSE (including all rights to receive ROYALTIES and other payments) is assigned in writing to JHU with JHU's consent, which shall not be unreasonably withheld or delayed. Failure to comply with the requirements of this Section 2.4 shall cause any purported SUBLICENSE to be void.

2.5. **Retained Research and Publication Rights.** JHU retains the right, on behalf of itself, its faculty and staff and non-profit academic or research institutions to whom JHU extends such rights, to practice and use any LICENSED RIGHTS described in Exhibit A-1 for any non-commercial, non-profit, academic research or educational purpose, including sponsored research and collaborations with commercial entities JHU also retains its rights to practice the LICENSED RIGHTS for educational or non-profit purposes through assessment and treatment of patients at Johns Hopkins Health System/JHU institutions.

2.6. **Government Rights**. LICENSED PATENTS arising from research funded in whole or part by the United States government are subject to the Bayh Dole Act and its implementing regulations (35 U.S.C. §§ 200-204, 37 CFR Part 401) (collectively, "Bayh Dole Obligations"), including requirements to take effective steps in a reasonable time to achieve practical application of the LICENSED PATENTS in the FIELD OF USE and to assure LICENSED PRODUCTS sold or produced in the United States be "manufactured substantially in the United States." LICENSEE shall comply with, and cooperate with JHU in assuring compliance with the Bayh Dole Obligations. JHU's obligations under Title 35 Sections 200-204 of the United States Code include the grant of an irrevocable, non-exclusive, nontransferable, royalty-free worldwide license to LICENSED PATENTS by JHU to the United States government, and a statement of United States government patent rights on all LICENSED PATENTS. All determinations of federal research funding involvement will be made by JHU, and JHU's reasonable determination shall be honored by LICENSEE.

2.7. **Howard Hughes Medical Institute's Retained License.** LICENSEE acknowledges that it has been informed that the LICENSED RIGHTS, identified in Exhibit A-1, including, without limitation, related KNOW-HOW and MATERIALS, were developed, at least in part, by HHMI employees and that HHMI has a fully paid-up, non-exclusive, irrevocable, worldwide license to exercise any intellectual property rights with respect to said LICENSED RIGHTS for research purposes, with the right to sublicense to non-profit and governmental entities, but with no other rights to assign or sublicense (the "HHMI License"). This License is explicitly made subject to the HHMI License.

2.8. **Humanitarian Rights and Obligations**.

2.8.1. The parties will cooperate such that essential medicines developed under this AGREEMENT can be made available in LEAST DEVELOPED COUNTRIES. JHU agrees to consider reasonable requests of LICENSEE for a commensurate reduction of payment obligations to JHU to facilitate the availability of LICENSED PRODUCTS in such countries.

2.8.2. JHU retains the right to grant rights to manufacture, use, distribute, sell and import the LICENSED RIGHTS described in Exhibit A-1 to a QUALIFIED HUMANITARIAN ORGANIZATION for HUMANITARIAN PURPOSES, provided that any such grant shall expressly prohibit the manufacture, use, distribution, sale or importation of any LICENSED PRODUCT in a country other than a LEAST DEVELOPED COUNTRY. Prior to granting such rights, JHU will notify LICENSEE, which shall have the first right to grant such rights to such QUALIFIED HUMANITARIAN ORGANIZATION.

2.9. **Commercial Development Sublicenses.** In the event LICENSEE is unable or unwilling to develop a LICENSED PRODUCT for an unserved market, use, indication or territory, upon JHU's request, LICENSEE shall negotiate with one or more potential sublicensees identified by JHU to authorize development of such product. LICENSEE shall not, however, be obligated to enter into a sublicense that poses a material risk to the successful development and commercialization of LICENSED PRODUCTS by LICENSEE.

2.10. **Exclusions**. Nothing in this AGREEMENT imposes obligations on JHU or grants rights in any JHU technology, intellectual property or other assets except as expressly identified in this AGREEMENT. Except as specifically provided in this AGREEMENT, JHU does not have any obligation to provide to LICENSEE any know how, inventions, data, materials, or assistance.

2.11. **Improvement Notice.** Subject to third party ownership obligations, if any, and the terms of this AGREEMENT, JHU will use reasonable efforts to provide LICENSEE notice in writing of each IMPROVEMENT and that it is available for licensing after its disclosure to and evaluation by Johns Hopkins Technology Ventures (the "DISCLOSURE NOTICE").

3. DILIGENCE AND DILIGENCE REPORTS

3.1. **Milestones.** LICENSEE shall achieve the MILESTONES set forth in Exhibit A-3 and shall notify JHU of the achievement of each MILESTONE within thirty (30) days of achieving them.

3.2. **Extension of Diligence Milestone.** LICENSEE may request, in writing, an extension of the period for achieving a diligence MILESTONE set forth in Exhibit A-3 (each a MILESTONE) by up to six months. JHU will grant the requested extension provided (i) LICENSEE has diligently pursued achievement of the MILESTONE; and (ii) LICENSEE remits with the request the milestone payment amount due upon achievement of the delayed MILESTONE. The extension of a MILESTONE shall automatically extend the deadline for subsequent MILESTONES of Exhibit A-3 respecting the same subject matter by like amount. LICENSEE may seek extensions for MILESTONES no more than three times during the TERM of this AGREEMENT.

3.3. **Diligence Reports.** Annually, on or before March 1 of each calendar year, LICENSEE shall submit a Diligence Report for the prior calendar year to JHU substantially in the form attached as Exhibit D and in sufficient detail to facilitate JHU's compliance with its Bayh Dole Obligations.

4. FEES, ROYALTIES, MILESTONES, AND EQUITY CONSIDERATION

4.1. **Licensee's Obligation to Pay Fees, Royalties and Other Payments.** As partial consideration for the rights granted by JHU under this AGREEMENT, LICENSEE shall pay to JHU all ROYALTIES, fees, PAST PATENT COSTS, PATENT COSTS, SUBLICENSE NON-ROYALTY CONSIDERATION, and other payments LICENSED PARTIES are required to pay JHU under this AGREEMENT. SALES, actions, or omissions by any LICENSED PARTY are deemed to be SALES, ACTIONS, or omissions of LICENSEE.

4.2. **Upfront License Fee**. LICENSEE shall pay to JHU a nonrefundable UPFRONT LICENSE FEE as specified in Exhibit A-2. The UPFRONT LICENSEE FEE paid by LICENSEE to JHU shall not be credited towards any other payments LICENSEE is required to pay JHU under this AGREEMENT.

4.3. **Patent Costs.** LICENSEE shall reimburse JHU for all PAST PATENT COSTS specified in Exhibit A-2. PATENT COSTS will be invoiced to LICENSEE on a rolling basis as processed by JHU or JHU's patent counsel and are due and payable within sixty (60) days of receipt by LICENSEE. If agreed upon by JHU and LICENSEE, JHU shall arrange for patent counsel to bill PATENT COSTS directly to LICENSEE.

4.4. **Minimum Annual Royalty**. On or before January 1 of each calendar year, LICENSEE shall pay JHU the MINIMUM ANNUAL ROYALTY ("MAR") specified in Exhibit A-2. MAR payments are non-refundable and will be credited against ROYALTIES incurred by LICENSEE for the calendar year in which the MAR was due. No MAR credits will be applied to ROYALTIES incurred in prior or subsequent calendar years.

4.5. **Royalties on Licensed Products and Reports**. Within forty-five (45) days of the end of each half calendar year, LICENSEE shall pay ROYALTIES in accordance with Exhibit A-2 and submit the electronic Excel Biannual SALES & ROYALTY Report set forth in Exhibit C. ROYALTIES shall be paid on all SALES, use or manufacture of LICENSED PRODUCTS in the LICENSED TERRITORY by all LICENSED PARTIES.

4.6. **Milestone Payments.** Within forty-five (45) days of achieving a MILESTONE, LICENSEE shall pay the related MILESTONE payment to JHU as specified in Exhibit A-3.

4.7. **Equity Consideration.** Consideration in the form of an ownership interest (such as common stock or membership units) in LICENSEE shall be issued to JHU in accordance with Exhibit A-5.

4.8. **Patent Expiration and Royalty Adjustments**.

4.8.1. **Expiration of Valid Claims**. Upon expiration of all VALID CLAIMS, LICENSEE's obligation shall be reduced by 50%.

4.8.2. **Royalty Stacking.** In the event a LICENSEE pays royalties on one or more third party patents ("OTHER ROYALTIES") as a requirement to make, use or sell a LICENSED PRODUCT, then the LICENSEE may deduct 50% of the amount paid for such OTHER ROYALTY from the NET SALES REVENUE that determines the ROYALTIES owed to JHU under this AGREEMENT. At no time, however, may the effective ROYALTY rate applicable to a LICENSED PRODUCT that requires OTHER ROYALTIES be less than 50% of the applicable ROYALTY RATE as set forth in Exhibit A-2. No deduction under this Section 4.8.2 shall be made for OTHER ROYALTIES paid to an AFFILIATE, division, or corporation sharing a common business location or any corporate officer with LICENSEE or to any SUBLICENSEE**.**

4.9. **Royalty Duration**. LICENSEE's obligation to pay ROYALTIES on SALES of each LICENSED PRODUCT shall remain in effect for the longer of (i) the tenth anniversary of the date of the FIRST COMMERCIAL SALE, or (ii) the expiration of all VALID CLAIMS.

4.9.1. **International Licensed Products.** The duration of the LICENSEE's obligation to pay ROYALTIES shall be determined on a country-by- country basis from the date of FIRST COMMERCIAL SALE to the date of expiration of all VALID CLAIMS.

4.10. **Sublicense Non-Royalty Consideration**. LICENSEE shall pay to JHU the SUBLICENSE NON-ROYALTY CONSIDERATION as stated on EXHIBIT A-2 within sixty (60) days of receipt of SUBLICENSE NON-ROYALTY CONSIDERATION by LICENSEE.

4.11. **Assignment Fee**. LICENSEE shall pay to JHU an assignment fee as provided for in Exhibit A-4 within sixty (60) days of receipt of assignment consideration from its assignee.

4.12. Voucher Redemption or Transfer Payments.

4.12.1. Voucher Payment. If Licensee receives a VOUCHER and either redeems the VOUCHER or engages in a VOUCHER SALE, LICENSEE shall pay to JHU a one-time payment, subject to the terms and conditions set forth in this Section 4.12 (the "VOUCHER PAYMENT"). The VOUCHER PAYMENT shall be due within sixty (60) days following consummation by LICENSEE of a VOUCHER SALE or redemption.

4.12.2. Notification of Intention to Redeem by Licensee. In the event that LICENSEE notifies the FDA or foreign equivalent of intention to redeem VOUCHER, including a notification of intention to redeem after the TERM, LICENSEE shall pay to JHU a payment of Ten percent (10%) of the VOUCHER TRANSFER REVENUE.

4.12.3. Voucher Transfer. In the event that LICENSEE sells VOUCHER to a VOUCHER RECIPIENT (including any VOUCHER sold after the TERM), LICENSEE shall pay to JHU the amount of Ten percent (10%) of the VOUCHER TRANSFER REVENUE.

4.13. **Currency.** All payments by LICENSEE to JHU shall be made in U.S. Dollars. Computation of conversion to U.S. Dollars from foreign currency transactions shall be made on a Biannual basis using the average exchange rate for such currency during the calendar year using the exchange rate data set forth in the Wall Street Journal ("***WSJ***") during the applicable time period. If the WSJ does not publish any such rate, a comparable rate publication will be agreed upon from time to time by the Parties, and with respect to each country for which such rate is not published by the WSJ or in a comparable publication, the Parties will use the prevailing rate for bank cable transfers for such applicable period, as quoted by the leading United States banks in New York City dealing in the foreign exchange.

4.14. **Non-U.S. Taxes**. LICENSEE shall pay all non-U.S. taxes imposed on all amounts payable by LICENSEE under this AGREEMENT. Such tax payments are not deductible from any payments due to JHU.

4.15. **Invoicing by JHU**. Payments shall be due in accordance with this AGREEMENT regardless of whether or not invoiced by JHU. Should JHU send an invoice to LICENSEE, it may do so in electronic form via e-mail sent to the e-mail address supplied by LICENSEE from time to time, and will be deemed received by LICENSEE upon transmission.

4.16. **Purchase Orders.** If at any time LICENSEE requires a Purchase Order to complete payment to JHU under this AGREEMENT or a new Purchase Order number is issued on an annual basis, LICENSEE shall provide Purchase Order No. with JHU AGREEMENT A36035 to JHTVReports@JHU.edu or other email address provided by JHTV. Alternatively, LICENSEE may inform JHU of need for or change in Purchase Order number on the electronic Excel Biannual Royalty and Sales Report.

4.17. **Payment Methods**. All payments to JHU shall be made either by check or wire transfer, in accordance with the payment instructions set forth in Exhibit A-2 as may be updated from time to time.

4.18. **Interest**. Payments not received when due shall bear interest at the rate of three (3%) percentage points above the interest rate quoted by United States Federal Reserve Bank on the day for which payment is due, compounded monthly from the date due until paid in full.

5. ROYALTY REPORTS AND ACCOUNTING

5.1. **Royalty Reports.** Beginning with the FIRST COMMERCIAL SALE of a LICENSED PRODUCT, LICENSEE shall thereafter submit to JHU a Biannual Sales and Royalty Report thirty (30) days after the end of each half calendar year (even if there are no sales during that half year), along with royalty payment under Section 4.5. LICENSEE agrees to submit an electronic Excel royalty report using the electronic royalty report template provided by JHU. This report will be in the form of Exhibit C and will state the number, description, and aggregate SALES of LICENSED PRODUCTS during the completed half calendar year. This report will be in the form of Exhibit C with all indicated columns populated as they pertain to the completed half calendar year with adjustments and unusual occurrences documented.

5.2. **Accounting and Audit Rights**. Each LICENSED PARTY shall maintain complete and accurate books and records, for no less than seven (7) years, relating to the rights and obligations under this AGREEMENT and any amounts payable to JHU. Such books and records shall include information sufficient to permit JHU to confirm the accuracy and completeness of any payments and reports delivered to JHU and compliance in all other respects with this AGREEMENT. Upon 30 days' written notice from JHU, a LICENSED PARTY shall make such books and records available for inspection by JHU or its designee during normal business hours, to verify any reports, accuracy and completeness of payments and/or compliance with this AGREEMENT. In the event the inspections show an underpayment to JHU of six percent (6) or more for any half year during the period examined, LICENSEE shall bear the full cost of the inspection, which shall be due and payable (along with past due ROYALTY, ROYALTY shortfall and other payment amounts plus interest per Section 4.18 from the date that such payments should have been made to JHU) within thirty (30) days of receiving notice from JHU of the inspection results. JHU may exercise this inspection right not more than once annually.

5.3. **Statute of Limitations**. Notwithstanding any applicable statute of limitation, LICENSEE agrees that it shall pay JHU for any underpayments revealed by an inspection for a period of five (5) years prior to the inspection.

5.4. **Final Royalty Report and Payment**. Within ninety (90) days of termination of this AGREEMENT, each LICENSED PARTY shall submit a final written Sales and Royalty Report and pay all outstanding amounts due under this AGREEMENT.

6. CONFIDENTIAL INFORMATION

6.1. **Term of Confidentiality.** During the TERM of this AGREEMENT and for a period of three (3) years thereafter, the parties agree that all CONFIDENTIAL INFORMATION disclosed by a party shall be maintained in confidence by the receiving party and shall not be disclosed by the receiving party to any third party unless agreed to in writing by the disclosing party or compelled by a court of competent jurisdiction; nor shall any such CONFIDENTIAL INFORMATION be used by the receiving party for any purposes other than those contemplated by this AGREEMENT.

6.2. **Standard for Confidentiality.** Each party shall maintain the security of CONFIDENTIAL INFORMATION it receives from the other party by employing reasonable safeguards that are no less secure than those used to protect its own confidential records.

6.3. **Permitted Disclosures.** These obligations respecting CONFIDENTIAL INFORMATION do not preclude disclosures about the existence of this AGREEMENT and amounts paid by LICENSED PARTIES as part of routinely prepared summary documents or financial reports, nor do they impede or impair JHU's exercise of its retained research and publication rights pursuant to Section 2.5 or its reporting obligations to its Assignee or HHMI.

7. DISCLAIMERS, LIABILITY LIMITATION

7.1. **DISCLAIMER**.JHU MAKES NO WARRANTIES UNDER THIS AGREEMENT. ALL TANGIBLE AND INTANGIBLE MATTER, INTELLECTUAL PROPERTY, TECHNOLOGY, RIGHTS, DATA, KNOW-HOW, AND MATERIALS ("DELIVERABLES") LICENSED, GRANTED, OR PROVIDED BY JHU ARE "AS IS." JHU MAKES NO REPRESENTATIONS WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER INCLUDING WARRANTY OF FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY, USEFULNESS, TITLE, NONINFRINGEMENT, VALIDITY, ENFORCEABILITY, USE, UTILITY, SCOPE, OR SUCCESFUL OPERATION OF DELIVERABLES.

7.2. LIMITS OF LIABILITY. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES, SUCH AS LOSS OF PROFITS OR INABILITY TO USE DELIVERABLES, HOWEVER ARISING, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Under no circumstances shall JHU be liable for damages in excess amounts received by JHU under this AGREEMENT during the 12 months prior to the event giving rise to the claim for damages.

8. INDEMNITY AND INSURANCE

8.1. **JHU Indemnification**. LICENSEE and each applicable LICENSED PARTY (each an "Indemnitor" and collectively "Indemnitors") shall protect, defend, and indemnify the JHU INDEMNITEES from and against any claims, losses, or damages of third parties (i) allegedly arising from or related in any way to any act or omission of an Indemnitor performing or exercising rights granted under this AGREEMENT, or (ii) allegedly caused by or arising in any way from LICENSED PRODUCTS. Indemnitors shall pay to defend the JHU INDEMNITIES against any claim subject to this Section 8.1 with counsel reasonably acceptable to JHU, and shall pay and/or hold the JHU INDEMNITEES harmless as against any judgments, fees, expenses, or other costs arising from or incidental to any such lawsuit, claim, demand or other action, whether or not any JHU INDEMNITEE is named as a party defendant in any such lawsuit and whether or not the JHU INDEMNITEES are alleged to be negligent or otherwise responsible for any injuries to persons or property.

8.1.1. **Exclusions**. The LICENSED PARTY Indemnification obligation as stated herein excludes: (i) claims arising solely from the practice by JHU of its retained rights under Section 2.5 of this AGREEMENT; and (ii) claims arising solely from the negligent use or administration by a JHU INDEMNITEE of a LICENSED PRODUCT (but any related claim of product liability or Indemnitor negligence shall remain subject to Indemnification).

8.1.2. **Notice, Cooperation, and Participation**. JHU or a JHU INDEMNITEE shall provide LICENSEE with prompt notice of any claims subject to indemnification, and will provide reasonable cooperation in the investigation and defense of such claims. JHU shall have the right to participate in the defense of any claim with counsel of its choice and at its own expense. JHU shall have the right to approve any settlement against JHU or that imposes any liability or obligation on JHU.

8.2. **HHMI Indemnification.** The Howard Hughes Medical Institute ("HHMI"), and its trustees, officers, employees, and agents (collectively, "HHMI INDEMNITEES"), will be indemnified, defended by counsel acceptable to HHMI, and held harmless by LICENSEE from and against any claim, liability, cost, expense, damage, deficiency, loss, or obligation, of any kind or nature (including, without limitation, reasonable attorneys' fees and other costs and expenses of defense) (collectively, "Claims"), based upon, arising out of, or otherwise relating to this AGREEMENT or the use, handling, storage, or disposition of any LICENSED MATERIAL listed in EXHIBIT A-1 by LICENSEE, its AFFILIATES or SUBLICENEES or others who possess such LICENSED MATERIAL through a chain of possession leading back, directly or indirectly, to LICENSEE, including without limitation any cause of action relating to product liability. The previous sentence will not apply to any Claim that is determined with finality by a court of competent jurisdiction to result solely from the gross negligence or willful misconduct of an HHMI INDEMNITEE. Notwithstanding any other provision of this AGREEMENT, LICENSEE'S obligation to defend, indemnify and hold harmless the HHMI INDEMNITEES under this paragraph will not be subject to any limitation or exclusion of liability or damages or otherwise limited in any way. This provision shall survive any termination or expiration of this AGREEMENT.

8.3. **Insurance.** LICENSEE shall, continuing throughout the TERM of this AGREEMENT and for a period of three (3) years thereafter, obtain and maintain, in full force and effect and at LICENSEE's sole cost and expense, the insurance coverage as set forth in Exhibit E. LICENSEE shall provide written proof of such insurance coverage to JHU within 30 days of EXECUTION DATE or initial coverage, whichever is later, and each renewal thereof. This AGREEMENT and the licenses granted herein shall immediately and automatically terminate in the event LICENSEE or a LICENSED PARTY (as applicable) fails to obtain the required insurance or if the insurance lapses or is cancelled.

8.4. **Survival**. This Article 8 shall survive termination or expiration of this AGREEMENT, and shall not be subject to any limitation of liability set forth in this AGREEMENT.

9. PATENTS

9.1. **Title and Authority.** Subject to the terms of this AGREEMENT, JHU shall retain and hold title to all patents and patent applications included in the PATENT RIGHTS. JHU retains all decision-making authority but shall, pursuant to this Article 9, consult with LICENSEE with respect to patent filing and prosecution of the PATENT RIGHTS. JHU shall be responsible for, but cooperate with LICENSEE for, filing, prosecution, maintenance and management of all issued patents and pending patent applications that are subject to this AGREEMENT. JHU shall promptly and routinely report to LICENSEE on developments in respect to the prosecution of the PATENT RIGHTS and provide LICENSEE with a reasonable time period, but no less than thirty (30) days prior to a deadline for submission of a reply to a communication issued by a patent authority, and JHU will afford LICENSEE an opportunity to comment on prosecution matters, and JHU shall consider all of LICENSEE's comments and strategy.

9.2. **Domestic Filing and Prosecution**. JHU, at LICENSEE's expense, shall have the right to file, prosecute and maintain all patents and patent applications included in the PATENT RIGHTS subject to the terms of this AGREEMENT in consultation with LICENSEE. JHU shall request its patent counsel to timely copy LICENSEE on all official actions and written correspondence with any patent office and to afford LICENSEE an opportunity to comment on prosecution matters. Failure to provide such notification may be considered by JHU to be LICENSEE's authorization to proceed at LICENSEE's expense. LICENSEE may elect to abandon its participation in, and rights to, a patent application or issued patent filed in the United States, provided that LICENSEE notifies JHU in writing at least thirty (30) days before any due date for any pending Office Action or matter or any maintenance fee due date in the case of an issued patent. Such election shall not relieve LICENSEE of the obligation to reimburse JHU for PATENT COSTS and PAST PATENT COSTS associated with such application that were incurred before JHU received actual notice of LICENSEE's abandonment. Thereafter, JHU may file, prosecute, and/or maintain such patent applications or patents at its own expense and for its own benefit and any PATENT RIGHTS granted on such applications or patents shall be excluded from the LICENSED PATENTS.

9.3. **Foreign Filing and Prosecution.** Upon LICENSEE's written request and at LICENSEE's expense, JHU will file and prosecute PATENT RIGHTS in one or more foreign jurisdictions. Subject to the terms of this AGREEMENT, JHU or its designee shall have the sole responsibility for the filing, prosecution, maintenance and management of all foreign issued patents in consultation with LICENSEE. Failure to provide such notification may be considered by JHU to be LICENSEE's authorization to proceed at LICENSEE's expense. Upon written notification to JHU and its patent counsel at least sixty (60) days in advance of any filing, response, or fee deadline, LICENSEE may elect to abandon its participation in, and rights to, a patent application filed in a foreign jurisdiction. Such election shall not relieve LICENSEE of the obligation to reimburse JHU for PATENT COSTS and PAST PATENT COSTS associated with such application that were incurred before JHU received actual notice of LICENSEE's abandonment. Thereafter, JHU may file, prosecute, and/or maintain such foreign patent applications or patents at its own expense and for its own benefit and any PATENT RIGHTS granted on such applications or patents shall be excluded from the LICENSED PATENTS.

9.4. **Common Interest**. All non-public information exchanged between JHU and the LICENSED PARTIES or their respective counsel regarding preparation, filing, prosecution, and maintenance of the PATENT RIGHTS shall be deemed CONFIDENTIAL INFORMATION. In addition, the parties acknowledge and agree that, with respect to such preparation, filing, prosecution and maintenance of the PATENT RIGHTS, the interests of the parties are to obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The parties agree and acknowledge that they have not waived, and nothing in this AGREEMENT constitutes a waiver of, any legal privilege concerning the PATENT RIGHTS or the CONFIDENTIAL INFORMATION, including privilege under the common interest doctrine and similar or related doctrines.

9.5. Infringement.

9.5.1. **Notification of Infringement by third party.** Each party will promptly notify the other in writing in the event it discovers, receives notice of, or otherwise reasonably suspects infringement by a third party.

9.5.2. **Suits for Infringement.** LICENSEE shall have the first right, at its own expense, to initiate and prosecute an infringement action against one or more third parties to enforce the LICENSED PATENTS in the FIELD OF USE in the LICENSED TERRITORY, provided that LICENSEE (i) notifies JHU at least ninety (90) days in advance of any such suit; (ii) does not file said action without the prior written consent of JHU; and (iii) carefully considers the views of JHU in making its decision whether or not to file suit. JHU may reasonably cooperate in such litigation and provide assistance in connection with such infringement action, at LICENSEE's request, and at LICENSEE's expense. LICENSEE: (i) shall not initiate an infringement action in the absence of a good faith belief in the infringement, validity and enforceability of the asserted claims after reasonable investigation; (ii) shall at all times keep JHU informed as to the status of the action and shall consult with JHU throughout the action; and (iii) shall at all times carefully consider the views of JHU with respect to any infringement action, including, for example, choice of litigation counsel, venue, and litigation strategy. LICENSEE shall pay to JHU fifteen percent (15%) of any monetary award, settlement or recovery, net of all reasonable LICENSEE and JHU attorneys' fees and out-of-pocket costs and expenses paid to third parties by LICENSEE and/or JHU in connection with each suit or settlement.

9.5.3. **JHU's Secondary Right to Enforce**. In the event LICENSEE does not initiate an infringement action within ninety (90) days after its discovery of or receiving notification of alleged infringement, JHU may initiate and prosecute such infringement action in JHU's sole discretion, on its own behalf and at its own expense. LICENSEE shall reasonably cooperate in such litigation at JHU's request in support of litigation as needed at its own expense. Upon initiation of an infringement action by JHU, JHU shall have the sole right to seek resolution of the alleged infringement through litigation, settlement agreement or otherwise, but will consult with LICENSEE and consider LICENSEE's liability and risk profile within the suit. After the ninety-day period of discovery/notice has elapsed, LICENSEE shall not be permitted to transfer its rights or sublicense the LICENSED PATENTS or otherwise reach an agreement with any suspected infringer that would impact JHU's action in any way. Any recovery from JHU's action shall be for JHU's sole benefit and account. All communications concerning a suit or potential suit against a third party between JHU and LICENSEE shall be treated as CONFIDENTIAL INFORMATION and are agreed to be subject to all available privileges and protections including the joint defense privilege and common interest privilege.

9.6. **Third Party Invalidity Actions.** LICENSEE shall defend at LICENSEE's expense any declaratory judgment or other action brought by a third party naming LICENSEE and/or JHU as a defendant and alleging invalidity of any of the PATENT RIGHTS unless such action is brought as a counterclaim to a suit against the third party initiated by JHU pursuant to JHU's secondary right to enforce. JHU may, in its sole discretion and at its own expense, assume control of the defense of any third-party action, in which case LICENSEE shall cooperate fully with JHU in such defense at its own expense, provided that JHU will consider comments of the LICENSEE with respect to JHU's defense.

9.7. **Waiver of Invalidity Claims.** LICENSEE, on behalf of itself, AFFILIATEs, and SUBLICENSEEs, understands and agrees that transfer of LICENSED RIGHTS under this AGREEMENT will confer substantial benefits to them, even in the absence of one of more VALID CLAIMS. Such benefits include "early mover" advantage. In addition, LICENSEE on behalf of itself, AFFILIATEs, and SUBLICENSEEs understands and agrees that the consideration paid for LICENSED RIGHTS reflects the nature and risks of early-stage technology, and the consideration required for a license to later stage technology would be significantly higher. Accordingly, each LICENSED PARTY agrees that it shall not initiate any action or proceeding to invalidate PATENT RIGHTS and hereby waives any rights they may have to do so.

9.8. **Patent Challenges**. Notwithstanding the foregoing, if a LICENSED PARTY initiates an action or proceeding challenging the validity or scope of PATENT RIGHTS or that a LICENSED PRODUCT practices the PATENT RIGHTS, the following shall apply:

a) JHU may terminate this AGREEMENT upon written notice to LICENSEE and/or the LICENSED PARTY.

b) No payments or reports required by this AGREEMENT shall be suspended or delayed during any challenge to PATENT RIGHTS and no such payments shall be subject to refund or recoupment for any reason.

c) Not less than ninety (90) days prior to initiating any challenge to a PATENT RIGHTS, the party challenging PATENT RIGHTS (the "Challenging Party") shall provide written notice of the expected challenge to JHU which shall include a clear statement of the factual and legal basis for the challenge, and an identification of all prior art, documents, products or other matter the Challenging Party believes to provide a basis for such challenge.

d) If such action or proceeding determines that at least one claim of the PATENT RIGHTS is a VALID CLAIM or practiced by a LICENSED PRODUCT, LICENSEE and the Challenging Party shall, thereafter, pay to JHU three times all payment amounts which LICENSEE and Challenging Party would otherwise be required to be paid under this AGREEMENT, other than PATENT COSTS. LICENSEE shall not be obligated to pay increased charges if it is not a party to the challenge to PATENT RIGHTS, has not assisted or facilitated the challenge, and has fully cooperated with JHU in the defense of such challenge.

9.9. **Marking**. All LICENSED PRODUCTS shall be marked with the number of the applicable licensed patent(s) in accordance with each country's patent laws.

10. DISPUTES.

10.1. **Governing Law, Jurisdiction and Venue.** This AGREEMENT shall be construed, and legal relations between the parties shall be determined, in accordance with the laws of the State of Maryland applicable to contracts executed and wholly to be performed within the State of Maryland without giving effect to the principles of conflicts of laws. Any disputes between the parties to the AGREEMENT shall be brought in the state or federal courts located in Baltimore, Maryland. Both parties hereby waive their right to a jury trial and consent to jurisdiction in such courts with respect to any disputes between them.

10.2. **Resolution**. The parties shall attempt in good faith to resolve all disputes through means other than litigation, such as mediation, arbitration, or structured negotiations. Each party agrees that, prior to initiating litigation, it will confer with other party about alternatives to litigation that may enable them to resolve the dispute fairly and efficiently. Notwithstanding the foregoing, no dispute affecting the rights or property of HHMI shall be subject to binding mediation, arbitration or other binding alternative dispute resolution mechanisms.

11. TERM AND TERMINATION

11.1. **Term.** The term of this AGREEMENT shall commence on the EFFECTIVE DATE and shall continue until the latter of (i) the date of expiration of the last to expire patent included within PATENT RIGHTS, or (ii) the tenth (10th) anniversary of the date of FIRST COMMERCIAL SALE (the "TERM"). LICENSEE shall not make, use, sell, import, export or offer for sale any LICENSED PRODUCTS after termination of this AGREEMENT.

11.2. **Licensee Termination for Convenience.** LICENSEE may terminate this AGREEMENT upon ninety (90) days' advance written notice, provided LICENSEE has complied with this AGREEMENT in all material respects and is not in default of this AGREEMENT on the date of such termination notice.

11.3. **JHU Termination for Cause.** JHU may terminate this AGREEMENT upon sixty (60) days' written notice to LICENSEE in the event of any material breach hereof, provided that LICENSEE does not cure such breach prior to expiration of such sixty (60) day period. JHU may terminate this AGREEMENT immediately upon written notice to LICENSEE in the event of a material breach that is incapable of cure. A material breach shall include:

a) LICENSEE's delinquency with respect to payment or reporting;

b) Failure to timely achieve a MILESTONE specified in Exhibit A-3, subject to Section 3.2, or otherwise failing to diligently develop, commercialize, and sell LICENSED PRODUCTS throughout the TERM of this AGREEMENT;

c) Voluntary bankruptcy or insolvency of LICENSEE;

d) Non-compliance with record keeping or audit obligations; or

e) Non-compliance with LICENSEE'S insurance obligations.

11.4. **Licensee Obligations Upon Termination or Expiration.** Upon expiration or termination of this AGREEMENT for any reason, LICENSEE shall remit payment to JHU for all amounts due or incurred prior to the effective date of termination, and any non-cancellable expenses (such as PATENT COSTS) undertaken prior to termination.

11.5. **Effect of Termination.** Upon termination of this AGREEMENT, all rights and licenses granted by JHU to LICENSEE under this AGREEMENT shall terminate and all rights in, to, and under the LICENSED RIGHTS will revert to JHU and LICENSEE shall cease using and destroy the LICENSED MATERIALS and shall provide evidence of such destruction to JHU.

12. Miscellaneous.

12.1. Use of Name.

12.1.1. LICENSEE may not use the name, trademarks, logos, or trade dress of The Johns Hopkins University, The Johns Hopkins Health System, and any of their constituent parts, such as JHU, Johns Hopkins, Hopkins, the Johns Hopkins Hospital, Johns Hopkins Medicine or any contraction thereof or the name of INNOVATORS in any advertising, promotional literature, Web sites, electronic media applications, sales literature, fundraising documents, or press releases and other print or electronic communications without prior written consent from an authorized representative of JHU. Any request to make use of such names shall be made at least thirty (30) business days' in advance of any proposed use and may be made by written request through JHTV. JHU shall have the right to list LICENSEE and display the logotype or symbol of LICENSEE on JHU's website and on JHU publications as a licensee of JHU technology.

12.1.2. LICENSEE acknowledges that under HHMI policy, LICENSEE may not use the name of HHMI or of any HHMI employee (including Dr. Dietz) in a manner that reasonably could constitute an endorsement of a commercial product or service; but that use for other purposes, even if commercially motivated, is permitted provided that (1) the use is limited to accurately reporting factual events or occurrences, and (2) any reference to the name of HHMI or any HHMI employees, including Dr. Dietz, in press releases or similar materials intended for public release is approved by HHMI in advance.

12.2. **Independent Parties.** Nothing in this AGREEMENT shall be construed to create any agency, employment, partnership, joint venture or similar relationship between the parties other than that of a licensor/licensee. Neither party shall have any right or authority whatsoever to incur any liability or obligation (express or implied) or otherwise act in any manner in the name or on the behalf of the other, or to make any promise, warranty or representation binding on the other.

12.3. **Notice of Claim.** Each party shall give the other party or its representative prompt notice of any suit or action filed, or of any claim made against them arising out of the performance of this AGREEMENT.

12.4. **No Assignment.** Neither party may assign this AGREEMENT, in whole or in part, without the prior written consent of the other party. Notwithstanding the foregoing, LICENSEE may assign this AGREEMENT in accordance with the terms and transfer fee requirements set forth in Exhibit A-4.

12.5. **Notices.** Any notice under any of the provisions of this AGREEMENT shall be deemed given when deposited in the mail, postage prepaid, registered or certified first class mail or by nationally-recognized private mail carrier and addressed to the applicable party at the address stated below, or such other address as such party shall specify for itself by like notice to other party. Transmission of notice by electronic mail is insufficient to meet the requirements of this provision.

If to JHU:

Director
Johns Hopkins Technology Ventures
1812 Ashland Avenue, Suite 110
Baltimore, Maryland 21205

If to LICENSEE:

Nathaniel Massari
Rumpus VEDS, LLC 300 Brookside Avenue
Building 4, Suite 125
Ambler, Pennsylvania 19002

12.6. **Export Control.** Certain of the LICENSED RIGHTS may be subject to United States laws and regulations (including the Arms Export Control Act, as amended, and the Export Administration Act of 1979) controlling the export of technical data, computer software, laboratory prototypes, and other commodities. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances that such transfers shall not be made to certain foreign countries without prior approval of such agency. LICENSEE or the applicable LICENSED PARTY shall fully comply with such export control laws. JHU makes no representation respecting the requirements for such a license, or that, if required, that such a license will be issued.

12.7. **Successors and Assigns.** This AGREEMENT shall bind and inure to the benefit of the successors and permitted assigns of the parties.

12.8. **No Waivers; Severability.** No waiver of any breach of any provision of this AGREEMENT shall constitute a waiver of any other breach of the same or other provision of this AGREEMENT, and no waiver shall be effective unless made in writing and signed by the party waiving. Any provision of this AGREEMENT prohibited by or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be deemed ineffective and deleted without affecting any other provision of this AGREEMENT, which shall be interpreted so as to most fully achieve the intentions of the parties.

12.9. **Entire Agreement.** This AGREEMENT supersedes all previous agreements and understandings relating to its subject matter, whether oral or in a writing, and constitutes the entire agreement of the parties and shall not be amended or altered in any respect except in a writing executed by the parties.

12.10. **No Agency**. LICENSEE agrees that no representation or statement by any JHU employee shall be deemed to be a statement or representation by JHU, and that LICENSEE was not induced to enter this AGREEMENT based upon any statement or representation of JHU, or any employee of JHU. JHU is not responsible for any publications, experiments or results reported by any JHU employee prior to, or after, the EFFECTIVE DATE, including those reported by any of the INNOVATORS.

12.11. **Binding Agreement.** Exchange of this AGREEMENT in draft or final form between the parties shall not be considered a binding offer, and this AGREEMENT shall not be deemed final or binding on either party until the final AGREEMENT has been signed by both parties

12.12. **Delays or Omissions.** Except as expressly provided by this AGREEMENT, no delay or omission to exercise any right, power or remedy accruing to any party, shall impair any such right, power or remedy to such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default be deemed a waiver of any other prior or subsequent breach or default. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this AGREEMENT, or any waiver on the part of any party of any provisions or conditions of this AGREEMENT, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies either under this AGREEMENT or by law or otherwise afforded to any party, shall be cumulative and not alternative.

12.13. **Survival.** All representations, warranties, covenants and agreements made in this AGREEMENT and which by their express terms or by implication are to be performed or continue to apply after the execution and/or termination of this AGREEMENT or are prospective in nature shall survive such expiration and/or termination. In addition and for avoidance of doubt, the following sections and articles shall survive any termination or expiration: Sections 4.2, 4.3, 4.12, 5.2, 5.3, 5.4, 9.1 (only to the extent of confirming JHU ownership of the PATENT RIGHTS), 9.4, 9.7, 9.8c and 9.8d and Articles 6, 7, 8, 10, 11, and 12, and Exhibit A-5, Subsection 3.

12.14. **Third Party Beneficiaries.** HHMI is not a party to this AGREEMENT and has no liability to LICENSEE, its AFFILIATES, SUBLICENSEEs or a LICENSED PARTY, or user of anything covered by this AGREEMENT, but HHMI is an intended third- party beneficiary of this AGREEMENT and certain of its provisions are for the benefit of HHMI and are enforceable by HHMI in its own name. Nothing in this AGREEMENT shall be construed as giving any person, firm, corporation or other entity, other than the parties and their successors and permitted assigns, or HHMI as stated herein, any right, remedy or claim under or in respect of this AGREEMENT or any provision hereof.

12.15. **Headings.** Article headings are for convenient reference and are not a part of this AGREEMENT. All referenced Exhibits are part of this AGREEMENT.

12.16. **Electronic Signature**. Any signature, including any electronic symbol or process affirmatively attached to or associated with this AGREEMENT and adopted by JHU or LICENSEE to sign, authenticate, or accept such contract or record acceptance of the AGREEMENT, hereto shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act or any state law based on the Uniform Electronic Transactions Act, and the parties hereby waive any objection to the contrary.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be executed in duplicate counterparts, each of which shall be deemed to constitute an original, effective as of EFFECTIVE DATE. The undersigned verify that they have the authority to bind to this AGREEMENT the party on behalf of which they are executing.

This AGREEMENT includes the following Exhibits:

Exhibit A: Financial Terms
- Exhibit A-1: LICENSED RIGHTS, FIELD OF USE, and LICENSED TERRITORY
- Exhibit A-2: PATENT COSTS, Fees, ROYALTIES, and Payment Terms
- Exhibit A-3: MILESTONES
- Exhibit A-4: Permitted Assignment Exhibit

A-5: Equity Consideration
Exhibit B: Definition of Terms
Exhibit C. Biannual Sales & Royalty Report Form
Exhibit D: Diligence and Biannual Report Form
Exhibit E: Insurance
Exhibit A-5(I): Operating Agreement

Johns Hopkins University	Rumpus VEDS, LLC
By: DocuSigned by: Steven L. Kousouris B7399943CD6A40E...	By: DocuSigned by: Christopher Brooke DFC678E753E84FF...
Name:	Name: Christopher Brooke
Title: Executive Director - JHTV	Title: President
Date: December 19, 2019 | 12:54 PM EST	Date: December 19, 2019 | 2:40 EST

DS ASG DS MH

Exhibit A (A-1, A-2, A-3, A-4, A-5)

EXHIBIT A-1: LICENSED RIGHTS, FIELD OF USE, and LICENSED TERRITORY

JHU TechID	(a) C15500 entitled "Methods for the Treatment of Vascular Ehlers Danlos Syndrome and Associated Disorders" (b) C14874 entitled "Targeted Epigenetic Therapy for Inherited Aortic Aneurysm Condition" (c) C14632 entitled "Genetic Modifiers of Marfan Syndrome and Related Conditions"			
INNOVATORS	(a) Harry Dietz (C15500, C14874, & C14632) (b) Caitlin Bowen (C15500) (c) Juan Calderon Giadrosic (C15500) (d) Benjamin Kang (C14874) (e) Jefferson Doyle (C14632) (f) Alexander Doyle (C14632)			
LICENSED PATENTS	**Tech Id**	**App Type**	**Serial No.**	**File Date**
	C15500	Provisional	62/746,524	10/16/2018
	C15500	Provisional	62/747,587	10/18/2018
	C15500	Provisional	62/838,049	4/24/2019
	C15500	PCT	PCT/US2019/056616	10/16/2019
	C14874	Provisional	62/553,394	9/1/2017
	C14874	PCT	PCT/US2018/049217	8/31/2018
	C14632	Provisional	62/466,197	3/2/2017
	C14632	PCT	PCT/US2018/020692	3/2/2018
	C14632	US	16/490,546	9/1/2019
LICENSED KNOW- HOW	N/A			
LICENSED DATA	N/A			
LICENSED MATERIAL	N/A			
FIELD OF USE	All fields including, without limitation, therapies for and diagnosis of genetic abnormalities such as Vascular Ehlers Danlos Syndrome and Associated Disorders and Marfan related conditions.			
LICENSED TERRITORY	Worldwide			

Exhibit A-2

PATENT COSTS, Fees, ROYALTIES, and Payment Terms

UPFRONT LICENSE FEE	Seventy Five Thousand US Dollars ($75,000), less credit from option fee payment of Fifteen Thousand US Dollars ($15,000), upon execution of this AGREEMENT in partial consideration of the license shall be due as follows: a) $15,000 w/in 60 days of the EFFECTIVE DATE b) $45,000 w/in 12 months of the EFFECTIVE DATE
PAST PATENT COSTS	C14632 - $11,598.00 C14874 - $7,630.45 C15500 - $7,710.00 Total PAST PATENT COSTS: $26,938.45 shall be due as follows: a) $8,900 w/in 60 days of the Effective Date; and b) the remainder to be paid w/in 12 months of the EFFECTIVE DATE In the event of termination of the entirety of this AGREEMENT prior to 12 months of the EFFECTIVE DATE, the balance of PAST PATENT COSTS will become due and payable within thirty (30) days of such termination.
MINIMUM ANNUAL ROYALTY ("MAR")	1st year: $0.00. 2nd year: $0.00. 3rd year. $5,000. 4th year. $7,500. 5th year. $10,000. 6th year. $10,000. 7th year. $10,000. 8th year etc. $20,000. If the AGREEMENT is terminated prior to expiration of the AGREEMENT in a given calendar year, any payment due to JHU for the MAR in any subsequent year will be waived and LICENSEE will only pay ROYALTIES accrued until any remaining inventories of LICENSED PRODUCT are sold subject to the terms of this AGREEMENT.
ROYALTY	a) 3% of NET SALES REVENUE on LICENSED PRODUCTS covered by a VALID CLAIM. b) 1.5% of NET SALES REVENUE on LICENSED PRODUCTS *not* covered by a VALID CLAIM. If LICENSEE pays third party royalties in consideration for one or more THIRD PARTY RIGHTS as a requirement to make, develop, use or sell a LICENSED PRODUCT, then LICENSEE will have the right to credit fifty percent (50%) of the earned royalty payment made to such third party in a given year in which a royalty is due for such THIRD PARTY RIGHTS, against such ROYALTY due JHU under this AGREEMENT, provided that the ROYALTY to JHU shall not be reduced below fifty percent (50%) of the ROYALTY due in (a) or (b).

EQUITY PERCENTAGE	250 non-voting shares of stock to JHU which represents (5%) post-issuance. Equity subject to the following mutually agreeable terms to be negotiated by the parties: (Preemptive Rights, Registration Rights, Co-Sale Rights, Tag Along Rights, Piggyback Registration Rights, Information Rights)
ANTI-DILUTION PROTECTION	JHU's ownership of outstanding stock shall not fall below (5%) on a Fully Diluted Basis until ($5,000,000) of funding has been raised.
SUBLICENSE NON- ROYALTY CONSIDERATION	The following SUBLICENSE NON-ROYALTY CONSIDERATION percentages of all consideration received by LICENSEE from a SUBLICENSEE in exchange for grant of SUBLICENSE rights under this AGREEMENT, but excluding (i) any consideration received by LICENSEE for ROYALTIES on SUBLICENSEE SALES (ROYALTIES on SALES by SUBLICENSEES will be treated as if LICENSEE made the SALE), and (ii) any payment of PAST PATENT COSTS or PATENT COSTS made by SUBLICENSEE to LICENSEE: (a) 25% of SUBLICENSE NON-ROYALTY CONSIDERATION for SUBLICENSES entered prior to dosing of first patient in a PHASE II CLINICAL TRIAL (b) 15% of SUBLICENSE NON-ROYALTY CONSIDERATION for SUBLICENSES entered after dosing of a first patient in a PHASE II CLINICAL TRIAL but prior to dosing of first patient in a PHASE III CLINICAL TRIAL (c) 7.5% of SUBLICENSE NON-ROYALTY CONSIDERATION for Sublicenses entered after dosing of first patient in a PHASE III CLINICAL TRIAL
Voucher Redemption or Transfer Payments	(a) Notification of Intention to Redeem by LICENSEE. In the event that LICENSEE notifies the FDA or foreign equivalent of intention to redeem VOUCHER, including a notification of intention to redeem after the TERM, LICENSEE shall pay to JHU a payment of Ten percent (10%) of the VOUCHER TRANSFER REVENUE. (b) Voucher Transfer. In the event that LICENSEE sells VOUCHER to a VOUCHER RECIPIENT (including any VOUCHER sold after the TERM), LICENSEE shall pay to JHU the amount of Ten percent (10%) of the VOUCHER TRANSFER REVENUE.

Payment Instructions

Checks are to be made payable to the "Johns Hopkins University."
All check payments from LICENSEE to JHU shall be sent to:

Executive Director
Johns Hopkins Technology Ventures The Johns Hopkins University
1812 Ashland Avenue
Suite 110
Baltimore, MD 21205
Attention: JHU AGREEMENT No. A36035

or such other addresses which JHU may designate in writing from time to time.

Wire transfers may be made through:

DOMESTIC ACH & WIRE

Johns Hopkins University – JHTV M&T Bank
1 M&T Plaza
Buffalo, NY 14203
ABA #022000046
Account number: 9864226981
Type of account: depository
CTX format is preferred; CCD+ is also accepted
Attention: JHU AGREEMENT A36035

INTERNATIONAL FED WIRE

Johns Hopkins University – JHTV M&T Bank
1 M&T Plaza
Buffalo, NY 14203
ABA #022000046
Account number: 9864226981
Type of account: depository
CHIPS ABA number: N/A IBAN number: N/A
Attention: JHU AGREEMENT A36035

LICENSEE shall be responsible for any and all costs associated with wire transfers.

Exhibit A-3

MILESTONES

Diligence, Development, and Clinical Milestones:

Date or Deadline	Description of Milestone	Milestone Fee
December 31, 2022	Financing of $2M in LICENSEE	$0.00
No Deadline	First Issuance of a Patent in the US	$0.00
No Deadline	First Issuance of a Patent in Europe	$0.00
December 31, 2022	Completion of Non-Clinical Validation Studies for Vascular Ehlers Danlos Syndrome	$0.00
December 31, 2022	Commencement of IND-enabling tox studies for an IND candidate for Vascular Ehlers Danlos Syndrome	$0.00
December 31, 2026	Completion of Non-Clinical Validation Studies for Marfan Syndrome	$0.00
December 31, 2027	Commencement of IND-enabling tox studies for an IND candidate for Marfan Syndrome	$0.00
December 31, 2026	Completion of Non-Clinical Validation Studies for Inherited Aortic Aneurysm	$0.00
December 31, 2027	Commencement of IND-enabling tox studies for an IND candidate for Inherited Aortic Aneurysm	$0.00
December 31, 2022	Filing of a first Investigational New Drug (IND) Application for a LICENSED PRODUCT	$50,000
	Upon dosing of the first patient in a PHASE I CLINICAL TRIAL (or foreign equivalent) for each LICENSED PRODUCT	$50,000
	Upon dosing of the first patient in a PHASE II CLINICAL TRIAL (or foreign equivalent) for each LICENSED PRODUCT	$100,000
	Upon filing the first New Drug Application with the FDA for each LICENSED PRODUCT	$1,400,000

SALES Milestones:

Description of Milestone	Milestone Fee
Paid once upon cumulative SALES of Ten Million Dollars ($10,000,000.00) for each LICENSED PRODUCT in the United States	$600,000
Paid once upon cumulative SALES of Ten Million Dollars ($10,000,000.00) for each LICENSED PRODUCT in Europe	$600,000
Paid once upon cumulative SALES of Ten Million Dollars ($10,000,000.00) for each LICENSED PRODUCT in Japan	$450,000

For avoidance of doubt, two drugs, compositions, formulations or substances with the same or substantially the same active ingredient shall not be considered distinct LICENSED PRODUCTS for purposes of triggering MILESTONE Fees associated with Diligence, Development and Clinical MILESTONES, whether or not such LICENSED PRODUCT is indicated for use in different indications. This exception, however does not apply to MILESTONE Fees associated with cumulative SALES MILESTONES.

In the event that a Phase I and/or Phase II clinical trial for any LICENSED PRODUCT is conducted at JHU, LICENSEE is excused from making the accrued related MILESTONE payments to JHU until the MILESTONE Event for Phase III clinical trial is met. Under such circumstances, LICENSEE agrees that it will pay the applicable previously unpaid Phase I and/or Phase II MILESTONE payments when it delivers the Phase III MILESTONE payment to JHU.

Exhibit A-4

Permitted Assignment

1. LICENSEE may assign this AGREEMENT as part of a sale or merger of substantially all of LICENSEE's business assets, regardless of whether such a sale occurs through an asset sale, stock sale, merger or other combination, provided:

(a) LICENSEE provides written notice to JHU at least thirty (30) days in advance of such assignment;

(b) The assignee agrees, in a writing delivered to JHU, to be bound by all provisions of this AGREEMENT; and

(c) LICENSEE remits an assignment fee to JHU equal to $50,000, except if the assignee or successor in interest is an AFFILIATE of OPTIONEE.

Exhibit A-5
Equity Consideration

1. **Equity Interest**. As partial consideration in addition to license fees, LICENSEE shall, grant to JHU shares of (common) stock (or equivalent ownership interest, membership share, units or securities) in LICENSEE that represent the percentage of the ownership share in LICENSEE specified in Exhibit A-2 on a Fully Diluted Basis (the "Equity Percentage").

1.1. In the event LICENSEE is a limited liability company, partnership or other entity that is not a corporation, LICENSEE represents, warrants and agrees:

- The operating agreement attached as Exhibit A-5 (I) (the "Operating Agreement") is LICENSEE's governing agreement as of the EXECUTION DATE and specifies its capitalization immediately prior to the EXECUTION DATE.
- This AGREEMENT amends and supersedes the Operating Agreement with respect to the subject matter of this AGREEMENT (including this Exhibit A-4).
- As of the EXECUTION DATE, LICENSEE's Operating Agreement is amended to reflect JHU's equity interest in this AGREEMENT in accordance with the following capitalization table:

Member	Class A Common Units	Class B Common Units
Rumpus Vascular, LLC	4,750	-
Johns Hopkins University	-	250

- LICENSEE shall incorporate reasonable suggestions of JHU to amend the Operating Agreement prior to executing any amendments to the Operating Agreement that would substantially limit the ability of JHU to comply with its mission statement and policies as a minority shareholder of LICENSEE.

2. **Anti-Dilution Protection.** LICENSEE will issue JHU, without further consideration, any additional ownership interests or shares of stock of the class issued pursuant to this AGREEMENT necessary to ensure that JHU's shares or ownership interest in LICENSEE does not represent less than the Equity Percentage at any time through the completion of issuance of all shares or ownership interests to be issued in connection with a bona fide equity investment in LICENSEE from a single or group of investors which is at least $5,000,000 in size.

3. **Private Offering Purchase Rights**. In the event of any private offering of the LICENSEE's equity securities for cash (or in satisfaction of debt issued for cash):

3.1. JHU and/or its Assignee (as defined below) may purchase for cash up to 5% of the securities or interests issued in such offering. This right is in addition to JHU's rights under Section 3.2.

3.1.1 "Assignee" means: (a) any entity to which JHU's participation rights under this Section 3 have been assigned either by JHU or another entity; or (b) any entity that is controlled by JHU.

3.2. In the event LICENSEE issues securities in connection with a financing that is not subject to the Anti-Dilution Protection of Section 2 above, JHU and/or its Assignee may purchase for cash that number of the securities issued in such offering as is necessary for JHU to maintain its Equity Percentage in the LICENSEE on a Fully-Diluted Basis.

3.3. In any private offering subject to this AGREEMENT ("Offering"), JHU's and/or its Assignee's purchase right shall be on the same terms as the most favored other investors, except that JHU and/or its Assignee shall not have any board representation or board meeting attendance rights.

3.4. LICENSEE shall give JHU at least thirty (30) days advance written notice of the terms of each Offering, including the names of the investors and the amounts to be invested by each, and JHU may elect to exercise its right of purchase, in whole or in part, by notice given to LICENSEE within fifteen (15) business days after receipt of LICENSEE's notice. If JHU and/or its Assignee elects not to purchase, or fails to give an election notice within such period, JHU's purchase right will not apply to the Offering if (and only if and to the extent) it is consummated within ninety (90) days on the same or less favorable (to the investor) terms as stated in LICENSEE's notice to JHU.

All rights under this Section 3.4 will not apply to the issuance of securities to (i) employees and other service providers pursuant to a plan approved by LICENSEE's board of directors, (ii) shares issued as additional consideration in lending or leasing transactions or (iii) arrangements otherwise contemplated by the LICENSEE's governing documents executed by JHU. In the event of the closing of a firm commitment underwritten public offering, the rights granted in Section 3.4 will terminate (in addition to any earlier termination pursuant to their terms) immediately before such closing.

3.5. This Section 3 shall survive the termination of this AGREEMENT.

Exhibit B

Definitions

"AFFILIATE" means any corporation, company, partnership, joint venture or other entity that controls, is controlled by or is under common control with LICENSEE. For purposes hereof, "control" means (a) in the case of corporate entities, direct or indirect ownership of more than fifty percent (50%) of the stock or shares entitled to vote for the election of directors; and (b) in the case of non-corporate entities, direct or indirect ownership of more than fifty percent (50%) of the equity interest with the power to direct the management and policies of such non-corporate entity; or (c) in any jurisdiction where the applicable law does not permit foreign equity participation of a majority, ownership or control, directly or indirectly, the maximum percentage of outstanding stock or voting rights that is permitted by such applicable law.

"COMBINATION PRODUCT" means a collection or group of products sold together (such as in a kit or package) that contains (i) a LICENSED PRODUCT and (ii) one or more other functional products ("Other Products") that has been sold separately for use without the LICENSED PRODUCT and which is not essential to the use or practice of the LICENSED PRODUCT. For example, a diagnostic panel comprising a LICENSED PRODUCT and an independent diagnostic biomarker would be a COMBINATION PRODUCT.

"CONFIDENTIAL INFORMATION" means information disclosed by a Party (the "Disclosing Party") to the other Party (the "Receiving Party") in connection with performance of this AGREEMENT that: (i) concerns the LICENSED RIGHTS and has been maintained by the Disclosing Party as nonpublic or proprietary information, and (ii) if written or orally disclosed to the Receiving Party, is marked Confidential within thirty (30) days of any such disclosure. "CONFIDENTIAL INFORMATION" also means all information of LICENSEE's business, business plans, analytical methods, procedures or systems, finances, inventions, intellectual property, customers, strategies, trade secrets, operations, records, assets, technology, products (including product specifications and pricing), and data and information that reveals the processes, methodologies, technology or know how by which the LICENSEE's existing or future products, services, applications and methods of operation are developed, conducted or operated. To be deemed CONFIDENTIAL INFORMATION, oral disclosures must (i) concern the LICENSED RIGHTS, have been maintained by the Disclosing Party as nonpublic or proprietary information, and be described in writing as confidential by the Disclosing Party within thirty (30) days of disclosure to the Receiving Party. CONFIDENTIAL INFORMATION does not include information that Receiving Party can demonstrate by written evidence: (a) was already in the Receiving Party's lawful possession before the disclosure by the Disclosing Party; (b) has been generally known or becomes generally known through disclosure by sources having the legal right to disclose such information (published or is later published), unless such publication is a breach of this AGREEMENT; (c) is received by the Receiving Party from a third party not under an obligation of confidentiality; (d) is independently developed by the Receiving Party's employees or faculty members who did not have access to CONFIDENTIAL INFORMATION or (e) has been approved for release by written authorization of the Disclosing Party.

"COPYRIGHTED WORK" means an original work of authorship fixed in any tangible medium of expression as described in U.S. Copyright law, 17 U.S.C 102 from the INNOVATORS and existing as of the EFFECTIVE DATE.

"DATA" means, numeric, algebraic, alphabetic, summary, results, clinical, research or other scientific or technical information in written or electronic form and regardless of whether or not (i) subject to protection as a COPYRIGHTED WORK, or (ii) CONFIDENTIAL INFORMATION, related to the practice of the LICENSED PATENTS that may be useful for the commercialization of LICENSED PRODUCTS.

"EXECUTION DATE" means the date that the last party to sign executes this AGREEMENT. "FIELD OF USE" is defined in Exhibit A-1.

"FIRST COMMERCIAL SALE" means the first SALE by a LICENSED PARTY of a LICENSED PRODUCT for value.

"HUMANITARIAN PURPOSE" means practice of LICENSED RIGHTS in the prevention or treatment of disease in humans by or on behalf of any QUALIFIED HUMANITARIAN ORGANIZATION (including, for clarity, practice of LICENSED RIGHTS by contractors, manufactures or distributors acting for or on behalf of such QUALIFIED HUMANITARIAN ORGANIZATIONs on a fee-for-service, fee-for-product or charitable basis): (i) to manufacture LICENSED PRODUCTS anywhere in the world for the sole and express purposes of distribution and use of such LICENSED PRODUCTS in one or more LEAST DEVELOPED COUNTRIES, and (ii) to sell or otherwise distribute LICENSED PRODUCTS for use solely in one or more LEAST DEVELOPED COUNTRIES; provided, however, that sales and distribution of LICENSED PRODUCTS shall not be deemed made for humanitarian purposes unless products are distributed at locally-affordable prices and further provided that LICENSEE: (i) receive notice of when JHU desires to license rights to such QUALIFIED HUMANITARIAN PURPOSE; (ii) reviews the terms under which a transfer of rights is to be provided for a HUMANITARIAN PURPOSE; and (iii) provides written consent of the terms under which rights for the HUMANTARIAN PURPOSE are transferred.

"IMPROVEMENT" shall mean subject to any third party ownership rights, including U.S. Government, obligations, an invention: (i) that is made in the laboratory of Hal Dietz; (ii) that would infringe the PATENT RIGHTS if made used, imported or sold without a license to PATENT RIGHTS, (iii) that is pertaining to therapies for and diagnosis of genetic abnormalities, and (iv) that is reported to the JHTV within two (2) years from the EFFECTIVE DATE.

"IND" means an Investigational New Drug Application as defined in the FD&C Act and applicable regulations promulgated thereunder by the FDA.

"IND ENABLING DATA PACKAGE" means proprietary third-party preclinical studies, regulatory, quality and any other DATA necessary to proceed with an IND filing for a LICENSED PRODUCT. An updated list of patents either active or expired by such third party that are associated with such IND ENABLING DATA PACKAGE shall be included therein.

"INNOVATORS" means the individuals who invented, authored, or created the LICENSED RIGHTS as identified in in Exhibit A-1.

"JHU INDEMNITEES" means JHU, The Johns Hopkins Hospital, The Johns Hopkins Health System Corporation, and their affiliated entities, their present and former trustees, officers, INNOVATORS, agents, faculty, employees and students.

"KNOW-HOW" means information or knowledge of the INNOVATORS, existing as of the EFFECTIVE DATE, including DATA, test results, research methodology and published matter that is necessary for commercialization of LICENSED PRODUCTS, including CONFIDENTIAL INFORMATION, publicly available information (whose relevance may be unclear to third parties), and information not readily reducible to tangible form prior to specific inquiry by LICENSEE.

"LEAST DEVELOPED COUNTRY" means those jurisdictions so defined by the United Nations Country Classification in the most recent United Nations' publication "Statistical Annex."

"LICENSED DATA" means the data specified in Exhibit A-1, from the INNOVATORS and existing as of the EFFECTIVE DATE.

"LICENSED KNOW-HOW" means the know-how described in Exhibit A-1, from the INNOVATORS and existing as of the EFFECTIVE DATE.

"LICENSED MATERIAL" means the material described in Exhibit A-1, from the INNOVATORS and existing as of the EFFECTIVE DATE.

"LICENSED PARTIES" means LICENSEE, AFFILIATE, and/or SUBLICENSEE (as applicable).

"LICENSED PATENTS" means the patents and patent applications listed on Exhibit A-1, and includes any U.S. and non-U.S. patent applications sharing the same disclosure or claiming priority thereto, including any and all non-U.S. counterparts, domestic or non-US renewals, reissues, substitutions or additions, reexaminations, divisionals, claims of continuations or continuation-in-part applications of the listed patents or applications, and every patent that issues or reissues from such applications, including any corresponding foreign patents, patent applications and supplemental protection certificates; all of which are automatically incorporated in and added to Exhibit A-1 and made a part of this AGREEMENT. LICENSED PATENT excludes any continuation-in-part (CIP) patent application or patent, unless (a) such CIP contains only the INNOVATORS, (b) the claims in such CIP are entirely supported in the specification, and (c) such CIP is entitled to the priority date of the parent of the LICENSED PATENTS.

"LICENSED PRODUCT" means any service, process, method, material, composition, drug, substance, chemical, or any other product (i) whose use, manufacture, import or SALE falls within the LICENSED RIGHTS granted under this AGREEMENT; or (ii) that requires use or practice of the LICENSED RIGHTS by LICENSED PARTIES or their customers.

"LICENSED RIGHTS" means all rights respecting LICENSED PATENTS, LICENSED DATA, LICENSED KNOW-HOW, and LICENSED MATERIALS granted to LICENSEE in Section 2 of this AGREEMENT.

"LICENSED TERRITORY" means the territory specified in Exhibit A.-1.

"MATERIAL" means products, compounds or other substances related to the practice of the LICENSED PATENTS that may be useful for the commercialization of LICENSED PRODUCTS developed by the INNOVATORS at JHU.

"MILESTONE" means a diligence milestone or event specified in Exhibit A-2.

"NET SALES REVENUE" means the total gross amount received (whether consisting of cash or any other forms of consideration) for all SALES of LICENSED PRODUCTS or COMBINATION PRODUCTS by LICENSED PARTIES, less the below identified deductions (to the extent included in and not already deducted from the gross amount invoiced or otherwise charged), and explicitly excluding any the SUBLICENSEE NON-ROYALTY CONSIDERATION, as that term is defined in Exhibit A-2 of this AGREEMENT.

NET SALES REVENUE generated from COMBINATION PRODUCTS shall be determined with the formula: COMBINATION PRODUCT NET SALES REVENUE = NET SALES
REVENUE *C/(C+D), where C is the total gross invoice price of the LICENSED PRODUCT when sold separately and D is the total gross invoice price of the Other Product(s) when sold separately.

NET SALES REVENUE excludes the following items, provided they are separately invoiced to and paid by a purchaser of LICENSED PRODUCTS subject to ROYALTIES and thereafter paid or remitted by LICENSEE:

- import, export, excise and sales taxes, custom duties, or other excise taxes imposed on particular sales, and value added taxes ("VAT");
- shipping charges and transportation from the place of manufacture to the end user's premises or point of installation;
- cash, trade or quantity discounts actually granted to end users;
- patient assistance and co-pay programs;
- sales rebates actually paid or credited to end users including managed care rebates and chargebacks; and
- allowances or credits to end users because of rejections or returns.

"PATENT COSTS" means all documented costs of prosecuting and maintaining any LICENSED PATENT, including reasonable attorneys' fees and expenses, and fees for patent filing(s), maintenance, annuities, and translation, and defense against claims of infringement or invalidity, including fees and costs incurred in the administrative proceeding or disputes pursuant to the America Invents Act of 2011 (such as an Inter Partes Review, Post Grant Review, or Derivation Proceedings before the U.S. Patent Trial and Appeal Board) incurred by JHU after the EXECUTION DATE. PATENT COSTS excludes PAST PATENT COSTS.

"PAST PATENT COSTS" means all PATENT COSTS that are incurred by JHU prior to the EXECUTION DATE of this AGREEMENT and are able to be billed to LICENSEE on or after the EXECUTION DATE subject to the terms of this AGREEMENT.

"PATENT RIGHTS" means the rights granted to LICENSEE in respect of the LICENSED PATENTS (and subject to the rights reserved or maintained by JHU and HHMI).

"PHASE I CLINICAL TRIALS" means a human clinical trial primarily designed to evaluate the safety of a LICENSED PRODUCT, which may include pharmaco-kinetics, toxicity, absorption, metabolism, or safe dosage range in healthy subjects, for a particular indication or indications in patients with the disease or condition under study and to determine the common short-term side effects and risks associated with administration of the LICENSED PRODUCT to a controlled patient population suffering from a particular indication, as described in 21 C.F.R. 312.21(a), as may be amended.

"PHASE II CLINICAL TRIALS" means a human clinical trial primarily designed to evaluate the effectiveness of a LICENSED PRODUCT for a particular indication or indications in patients with the disease or condition under study and to determine the common short-term side effects and risks associated with administration of the Product to a controlled patient population suffering from a particular indication, as described in 21 C.F.R. 312.21(b), as may be amended. For avoidance of doubt any Phase II trial that also is conducted with a Phase Ia or Ib component will be considered solely as a PHASE II CLINICAL TRIALS for purposes of this AGREEMENT.

"PHASE III CLINICAL TRIALS" means a clinical trial the purpose of which may include to gather the additional information about effectiveness and safety of a LICENSED PRODUCT for a particular indication or indications in patients with the disease or condition under study and to evaluate the efficacy and safety of a LICENSED PRODUCT definitively in humans, as more fully defined in 21 C.F.R. 312.21(c), as may be amended. For avoidance of doubt any Phase III trial that also is conducted with a Phase IIa or IIb component will be considered solely as a Phase III CLINICAL TRIALS for purposes of this AGREEMENT.

"QUALIFIED HUMANITARIAN ORGANIZATION" means any governmental agency, non- governmental agency or other non-commercial, not-for-profit organization that has as one of its bona fide missions to address the public health needs of underserved populations within the FIELD OF USE on a not-for-profit basis in one LEAST DEVELOPED COUNTRY. For clarity, QUALIFIED HUMANITARIAN ORGANIZATIONS do not include non-governmental agencies and non-for-profit organizations that are formed or established for the benefit of any for-profit entity or non-governmental agencies that collaborate with for-profit organizations in the same FIELD OF USE.

"ROYALTIES" means payments owed to JHU in consideration of the rights granted to LICENSED PARTIES under this AGREEMENT that are determined as a percentage of NET SALES REVENUE as explicitly set forth in Exhibit A-2 of this AGREEMENT.

"SALE" means any sale, license, lease performance, transfer, delivery, contract to provide, or other disposition or conveyance, for which a LICENSED PARTY receives value from a non- AFFILIATE third party of a LICENSED PRODUCT or COMBINATION PRODUCT,
specifically excluding transfers to AFFILIATES or LICENSEE contractors prior to transfers intended for an end-user.

"SUBLICENSE" means an agreement in which LICENSEE (i) grants or otherwise transfers any of the LICENSED RIGHTS, (ii) agrees not to assert or seek a legal remedy for the practice of LICENSED RIGHTS, or (iii) creates an obligation to grant, assign or transfer any LICENSED RIGHTS to any other entity (other than an AFFILIATE).

"SUBLICENSEE" means any person or entity to which LICENSEE has granted a SUBLICENSE under this AGREEMENT.

"SUBLICENSE NON-ROYALTY CONSIDERATION" means income received by LICENSEE in consideration for a SUBLICENSE. SUBLICENSE NON-ROYALTY CONSIDERATION
includes income received from SUBLICENSEES in consideration for the grant of SUBLICENSED rights under this AGREEMENT in the form of license issue fees, MILESTONE payments, stock or other forms of equity, as well as the fair market value of any services or other compensation and the like but specifically excludes (i) any consideration received by LICENSEE for ROYALTIES on SUBLICENSEE SALES (ROYALTIES on SALES by SUBLICENSEES will be treated as if LICENSEE made the SALE) or distribution of LICENSED PRODUCTS; (ii) income received by LICENSEE as payment or reimbursement for research costs at fair market value applied to the LICENSED RIGHTS and LICENSED PRODUCT and conducted by or for LICENSEE, including costs of materials, FTE, equipment and clinical testing, but only if those research costs are specifically described in the SUBLICENSE; or (iii) payments or reimbursement for PATENT COSTS made by SUBLICENSEE to LICENSEE.

"THIRD PARTY RIGHTS" means patent rights and/or an IND ENABLING DATA PACKAGE owned or controlled by a third party, used by LICENSEE to make develop, use or sell a LICENSED PRODUCT, pursuant to the execution of a license between LICENSEE and such third party. THIRD PARTY RIGHTS shall be reduced to writing and provided to JHU, within ninety (90) days of execution of such a license.

"VALID CLAIM" means (a) any claim of an issued unexpired, unabandoned, LICENSED PATENT that has not been conclusively revoked or declared unenforceable, unpatentable or invalid by a competent court or tribunal and which is unappealable or unappealed in the time allowed for appeal, and which has not been cancelled, withdrawn or abandoned or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise or (b) a pending claim of a pending patent application within the LICENSED PATENTS, that has not lapsed, in the case of a provisional patent application, which application has not been pending for longer than seven (7) years from the first substantive office action in such application, and has not been cancelled, irrevocably abandoned or finally rejected without the possibility of appeal or refiling.

"VOUCHER" means any incentive or reward granted by the FDA or foreign equivalent that can be redeemed for any future use by LICENSEE or transferred to a third party, which is awarded for developing LICENSED PRODUCT, currently or previously covered by a VALID CLAIM of a LICENSED PATENT. The aforementioned provision is enforceable regardless of whether LICENSED PRODUCT is ever offered for SALE. A VOUCHER may include, but is not limited to, a priority review voucher issued for a tropical disease product approval under 21 USC 351 and a priority review voucher issued for a rare pediatric disease product approval under 21 USC 360.

"VOUCHER RECIPIENT" means any non-AFFILIATE third party to which LICENSEE has sold a VOUCHER.

"VOUCHER SALE" means the good faith sale, transfer or other disposition of a VOUCHER for value by LICENSEE that results in its ownership by, or the benefits of ownership flowing to, a VOUCHER RECIPIENT.

"VOUCHER TRANSFER REVENUE" means the amount of any and all consideration actually received by LICENSEE from VOUCHER RECIPIENT under or otherwise in connection with the transfer of a VOUCHER to a VOUCHER RECIPIENT less any tax payment due by LICENSEE for such transfer, excluding without limitation, other periodic licensing fees, option fees, MILESTONE payments, minimum Biannual royalties, distribution, joint marketing fee, and equity (i.e., payments for equity that exceed the pre-transfer fair market value of the equity), or equity exchanges.

Exhibit C
Biannual Sales and Royalty Report

LICENSEE LETTERHEAD

QUARTERLY SALES & ROYALTY REPORT
FOR LICENSE AGREEMENT BETWEEN
THE JOHNS HOPKINS UNIVERSITY
AND
LICENSEE NAME

Effective Date _____

JHU Agreement No.: _AXXXXX_____

JHU Technology Case Nos.: _CXXXXX_; _____; _____; _____ (please include all JHU licensed cases)

Period: **From** [ ] **To** [ ] **Calendar Quarter:** [ ]

TOTAL ROYALTIES DUE FOR THIS PERIOD: [$ -]

If the licenses granted in the Agreement cover several product/service lines, please prepare a separate summary report for each **LICENSED PRODUCT/LICENSED SERVICE** line.

If units were sold by any **AFFILIATES, SUBLICENSEES** or any party other than **LICENSEE**, please identify the entity and prepare a separate royalty chart.

Report Type: Single Licensed Product/Licensed Service Summary Report (Specify which, prepare chart for both as appropriate)
(Please indicate)
Trademark of Licensed Product or Licensed Service Summary Report (Specify which, prepare chart for both as appropriate)

Multi-Licensed Product/Multi-Licensed Service Summary Report (Specify which, prepare chart for both as appropriate)

Mandatory Provisions:

Product ID	Product Name	JHU Case Nos.	First Commercial Sale Date	Country	Units Sold	Gross Sales	*Less Allowances	Any Apportionment taken	Net Sales	Royalty Rate	Conversion Rate (to USD)	Period Royalty Amount (USD)
									0.00		1.0000	0.00
									0.00		1.0000	0.00
									0.00		1.0000	0.00
									0.00		1.0000	0.00
									0.00		1.0000	0.00
TOTAL					0.00	0.00	0.00		0.00			0.00

*On a separate page, please indicate the reasons for any significant adjustment. Please also note any unusual occurrences that affected royalty payment amounts during this period.

Check here if you need JHTV to send an invoice: [Yes or No]

Check here if PO number is needed on JHTV invoice: [Yes or No] **Purchase Order No.:** [ ]

Certification:
I hereby certify, as a duly authorized officer of **LICENSEE**, that the information set forth above is correct and complete and meets all of the reporting requirements set forth in the Agreement.

Name: _____

Title: _____

Date: _____

Contact Information:

Telephone No. _____

Email: _____

Exhibit D

Diligence and Biannual Report

LICENSEE Name: _____

JHU Agreement Number: A36035_____

JHU Reference Number(s) CXXXXX, _____, _____,_____ ,

Reporting Period: From _____ To _____

Please provide the following information in a separate document:

A description of progress by LICENSED PARTIES toward commercialization of LICENSED PRODUCTS, including work completed, key scientific discoveries, summary of work-in-progress, current schedule of anticipated events or MILESTONES, market plans (if any), significant corporate transactions and documents sufficient to evidence each.

A description and documentation of all FDA or other governmental filings and/or approvals regarding any LICENSED PRODUCT or LICENSED RIGHTS.

Certificate of Insurance or other evidence of insurance

_____ is attached

Identification of all LICENSED PARTIES (AFFILIATE and SUBLICENSEE):

_____ NONE
_____ List attached with description of rights exercised.

SUBLICENSE(s) entered during the year:

_____ NONE
(copy of each SUBLICENSE attached)

A description of any Material Event (e.g., change of control, name change or other significant change related to this AGREEMENT or LICENSEE:

_____ NONE

Details:

For Start-ups Only:

Capitalization table [For transactions including Equity Consideration or financing milestones]

Economic Development:

Number of Current Employees:
- Full-time:
- Part-time:
- Interns:
- Consultants:

Revenue for the immediately preceding six (6) month period:

Funding (copy and complete for each funding/investment received during the reporting period):

- Funding Source:
- Funding Type (Debt, Venture or Other):
- Funding Amount:
- Funding Date:

SEND DILIGENCE AND ANNUAL REPORT AND BIANNUAL SALES AND ROYALTY REPORT TO:

Via mail or private mail carrier:	**Via email (Preferred):**
Licensee Reporting Group	JHTVReports@JHU.EDU
Johns Hopkins Technology Ventures	Expect Auto-Reply
The Johns Hopkins University	No Auto-Reply?
1812 Ashland Avenue, Suite 110	Contact:
Baltimore, MD 21205	Deborah Hill at
Telephone for overnight courier: 410-614-0300	debhill@jhmi.edu or 410-614-8643

Interested in reporting via our Licensee Reporting Portal? Contact us at JHTVReports@JHU.edu to request details about this reporting option.

Exhibit E

Required Insurance Coverages

1. **Assumption of Liability**. Subject to the AGREEMENT, LICENSEE hereby assumes full liability for any and all finally adjudicated and unappealable lawsuits, claims, demands, judgments, costs, fees (including attorney's fees), expenses, injuries or losses arising from or relating to the LICENSED PRODUCTS.

2. **Insurance**. LICENSEE will obtain and maintain Comprehensive General Liability Insurance with a reputable and financially secure insurance carrier acceptable to JHU. Prior to initial human testing or FIRST COMMERCIAL SALE of any LICENSED PRODUCT, LICENSEE will obtain and maintain in addition to the Comprehensive General Liability Insurance, Product Liability Insurance with a reputable and financially secure insurance carrier acceptable to JHU, to cover any liability arising from or relating to the LICENSED PRODUCTS. The insurance policy shall provide minimum coverage in the amounts and subject to the provisions below.

3. **General**. LICENSEE shall obtain and maintain, in full force and effect and at LICENSEE's sole cost and expense insurance policies providing:

   a) Commercial general liability insurance (including coverage and any necessary endorsements for products /completed operations as well as for clinical trials if any such trials are to be performed by or on behalf of LICENSEE) which provides, for each annual policy period, coverage of no less than the minimum limits specified below for injury, death and property damage resulting from each occurrence during the policy period; and

   b) If required by law, worker's compensation insurance.

4. **Initial Policy Limits**. The commercial general liability and products liability coverages shall have the following minimum limits:

   a) Commercial general liability: one million dollars ($1,000,000) each occurrence, two million dollars ($2,000,000) general aggregate. LICENSEE shall have thirty (30) days following the Effective Date to obtain such coverage.

   b) Products liability: From the date immediately prior to initial human testing: $3,000,000 per claim and $5,000,000 in the aggregate. LICENSEE shall additionally provide JHU with a certificate of clinical trial insurance within thirty (30) days of the initiation of each such clinical trial.

   Products Liability: From the date immediately prior to FIRST COMMERCIAL SALE: $5,000,000 per claim and $10,000,000 in the aggregate.

5. **Policy Requirements**. Each policy of insurance required by this AGREEMENT shall:

   a) be issued by reputable and financially secure insurance carriers having at least an A- rating (A- rating or above by A.M. Best) and an A.M. Best Class Size of at least VIII,

   b) list each of JHU, HHMI and their respective trustees, officers, employees, faculty, staff, students, agents and their successors, heirs and assigns as additional insureds,

   c) be endorsed to provide that the insurer waives all subrogation rights it has or may have against any additional insured, and

d) be primary in respect of all additional insureds.

6. **Evidence of Insurance**. LICENSEE shall provide JHU with a Certificate of Insurance from each such insurer which evidences compliance by LICENSEE with its obligations under this AGREEMENT. Upon the request of JHU, LICENSEE shall provide JHU with a copy of the policy, status of claims and claims history respecting any of the insurance required to be maintained by LICENSEE under this AGREEMENT. Further, LICENSEE will not cancel or fail to renew the identified insurance without giving JHU at least thirty (30) days' prior written notice of such cancellation.

7. **Primary Coverage**. All insurance of LICENSEE will be primary coverage; other insurance of JHU, JHU INDEMNITIES, HHMI and HHMI INDEMNITEES will be excess and noncontributory.

8. **Clarifications**. For the avoidance of doubt, the minimum insurance coverage and limits set forth in this AGREEMENT do not constitute a limitation on LICENSEE's liability or obligations to indemnify or defend JHU and the JHU INDEMNITEES or HHMI and the HHMI INDEMNITEES and any other additional insured under this AGREEMENT.

Exhibit A-5 (I)
Operating Agreement

[Operating Agreement follows on the next page]

RUMPUS VEDS LLC
a Delaware Limited Liability Company

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

Dated: December 19, 2019

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RUMPUS VEDS LLC

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (this "Agreement") of Rumpus VEDS LLC, a limited liability company (the "Company") organized pursuant to the Delaware Limited Liability Company Act, is made this 19 _____day of **_December** _____2019, by and among Rumpus Vascular, LLC, a Delaware limited liability company ("Majority Member"), Johns Hopkins University, a Maryland corporation ("Minority Member"), and those other Persons who execute a counterpart of this Agreement and are admitted to the Company as Members.

BACKGROUND

WHEREAS, on November 13, 2019 the Certificate was filed with the Secretary of State of the State of Delaware, thereby forming the Company pursuant to the Act; and

WHEREAS, the Members wish to enter into this Agreement setting forth the terms and conditions governing the operation and management of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. In addition to the capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the following respective meanings when used in this Agreement:

"Accountant" means such independent regionally recognized firm of certified public accountants as may be selected by the Managing Member.

"Act" means the Delaware Limited Liability Company Act, as such act may be modified or amended from time to time and any successor act.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to Section 3.2(h) or is deemed obligated to restore pursuant to Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of "Adjusted Capital Account Deficit" is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" as applied to any specified Person means any other Person (and all natural Persons related by blood, adoption or marriage to such other Person) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such specified Person. The term "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of 10% or more of the voting power (or in the case of a Person which is not a corporation, 10% or more of the ownership interest, beneficial or otherwise) of such Person or the power otherwise to direct or cause the direction of the management and policies of that Person, whether through voting, by contract or otherwise. For purposes of this paragraph, "voting power" of any Person means the total number of votes which may be cast by the holders of the total number of outstanding equity interests of any class or classes of such Person in any election of directors of such Person or individuals serving on a committee or board serving a function comparable to that served by a board of directors of a corporation. All directors and executive officers of a Person and all managers and members of a board or board of managers or similar committee of a Person organized as a limited liability company shall be deemed to be Affiliates of such Person.

"Agreement" has the meaning set forth in the preamble hereto. "Approved Sale" has the meaning set forth in Section 9.4(a).

"Assignee" means a person to whom a Membership Interest has been assigned in accordance with the terms of this Agreement but who has not been admitted as a Member in accordance with the terms hereof.

"Business" shall mean the business of the Company as determined by the Members from time to time.

"Capital Account" means the bookkeeping account maintained for each Member in accordance with Treasury Regulations issued under Section 704(b) of the Code and the provisions of Section 3.2.

"Capital Account Excess" means, with respect to each Member, the excess (if any) of such Member's Capital Account balance over such Member's Target Amount.

"Capital Account Shortfall" means, with respect to each Member, the excess (if any) of such Member's Target Amount over such Member's Capital Account balance.

"Capital Contribution" means: (a) with respect to a Member acquiring Units directly from the Company, the amount of cash and the Gross Asset Value of property other than cash (less any indebtedness assumed by the Company in connection with its acquisition of such contributed property, or to which such contributed property is subject) contributed to the Company by such Member in respect of such Units acquired from the Company; and (b) with respect to a Member who acquired the Member's Units from another Member, the amount of cash and the Gross Asset Value of property other than cash (less any indebtedness assumed by the Company in connection with its acquisition of such contributed property, or to which such contributed property is subject) contributed to the Company by all prior holders with respect to such acquired Units; provided, however, that the Capital Contributions of each Member with respect to the Units issued and outstanding as of the date hereof are as set forth on Exhibit A.

"Certificate" means the Certificate of Formation of the Company filed with the Delaware Secretary of State.

"Class" has the meaning set forth in Section 3.1(a).

"Class A Common Units" has the meaning set forth in Section 3.1(a).

"Class A Members" means Members who are holders of Class A Common Units.

"Class B Common Units" has the meaning set forth in Section 3.1(a).

"Class B Members" means Members who are holders of Class B Common Units.

"Class B Unit Award Agreement" means any agreement between the Company and any Member pursuant to which interests in Class B Common Units are issued to such Member.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Units" has the meaning set forth in Section 3.1(a).

"Company" has the meaning set forth in the preamble hereto.

"Company Assets" means any and all property and assets, whether real or personal, tangible or intangible, or otherwise of the Company.

"Compensatory Interest" has the meaning set forth in Section 4.6(a).

"Competitor" means any Person or Persons that: (a) are not Affiliates of the Company or the Members; and (b) directly or indirectly compete with the Company or any of its subsidiaries, or have investments in businesses that directly or indirectly compete with the businesses of the Company or any of its subsidiaries, in each case, as reasonably determined by the Managing Member.

"Corporation" has the meaning set forth in Section 10.4.

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managing Member.

"Designated Individual" has the meaning set forth in Section 6.5(a).

"Distributable Cash" means, for any period, all cash received by the Company from all sources during such period, minus the sum of (i) all expenditures paid by the Company during the period (excluding depreciation or other noncash expenses, but including capital expenditures), (ii) scheduled amortization of principal of the Loans of the Company for the period and (iii) net additions during the period to the reserves of the Company for contingencies, working capital or future expansion needs as the Managing Member may reasonably determine to be necessary. Notwithstanding the preceding sentence, Capital Contributions shall not be taken into account in computing Distributable Cash for any period and net reductions during the period to the reserves of the Company for contingencies, working capital or future expansion needs as the Managing Member may reasonably determine to be necessary shall be treated as cash received by the Company.

"Distributable Cash for Tax Distributions" means, for any period, all available cash and cash equivalents of the Company (including taking into account cash available under the Company's credit facilities) less reasonable reserves that the Managing Member determines in good faith are reasonably required to-be maintained by the Company for its operation in the ordinary course of business consistent with past practice.

"Electronic Transmission" means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exercise Notice" has the meaning set forth in Section 9.3(c).

"Final Distribution" has the meaning set forth in Section 12.2(b).

"Financing Document" means any credit agreement, guarantee, financing or security agreement or other agreements or instruments governing indebtedness of the Company or any of its Affiliates.

"First Refusal Notice" has the meaning set forth in Section 9.2(a).

"First Refusal Notice Date" has the meaning set forth in Section 9.2(a).

"Fiscal Year" means the year identified in Section 6.1(a), except that in the year the Company commences, the Fiscal Year begins on the date hereof and, in the year the Company terminates, the Fiscal Year will terminate on the date of termination. Notwithstanding anything herein to the contrary, if a shorter period of any of the foregoing periods is necessary to allocate the Company items pursuant to Article IV, such shorter period shall constitute a Fiscal Year.

"Full Amount" has the meaning set forth in Section 9.1(c).

"Fully Diluted Capitalization" means, in the aggregate, the Membership Interests calculated on a fully diluted basis, including (a) all outstanding Units, (b) all outstanding vested and unvested options to acquire Units, (c) all outstanding warrants or other rights to purchase Units (on an as-converted, as-exercised basis), (d) all other securities convertible into Units (on an as-converted, as-exercised basis), and (e) all authorized and unissued Class B Units and any other Units reserved for issuance pursuant to any option or other equity pool designated by the Managing Member in an amount not to exceed fifteen percent (15%) of the Fully Diluted Capitalization.

"GAAP" means generally accepted accounting principles, in the United States, consistently applied.

"Gross Asset Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Managing Member in its reasonable discretion;

(ii) The Gross Asset Values of all the Company Assets shall be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account), as determined by the Managing Member in its reasonable discretion as of the following times: (A) the acquisition of an additional Unit in the Company by any new or existing Member or the issuance of a "profits interest" (as such term is defined in Rev. Proc. 93-27 and Rev. Proc. 2001-43); (B) the distribution by the Company to a Member of more than a *de minimis* amount of Property with respect to the repurchase of a Unit by the Company; (C) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); and (D) upon the withdrawal of a Member from the Company; provided that, except as set forth in Section 3.1(h), an adjustment described in clauses (A) and (B) and (D) of this paragraph shall be made only if the Managing Member reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any item of the Company Assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of distribution as determined by the Managing Member in its reasonable discretion; and

(iv) The Gross Asset Values of the Company Assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704- 1(b)(2)(iv)(m).

(v) If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (i), (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Net Profits and Net Losses.

"Incorporation" has the meaning set forth in Section 10.4.

"Indemnitee(s)" has the meaning set forth in Section 7.5(a).

"License Agreement" means that certain License Agreement, dated as of December 19, 2019 | 2:40 PM by and between the Minority Member and Rumpus Therapeutics, LLC.

"Majority Member" has the meaning set forth in the preamble hereto.

"Managing Member" means, initially, the Majority Member, and thereafter, such other Member as may be designated or become the Managing Member pursuant to the terms of this Agreement.

"Minority Member" has the meaning set forth in the preamble hereto.

"Members" means those Persons who execute this Agreement or otherwise agree to be bound hereby and are admitted to the Company as Members pursuant to the Certificate and this Agreement, excluding any Person having the status solely of an Assignee.

"Member Loan" means a loan made by a Member to the Company pursuant to Section 3.3(b).

"Member Nonrecourse Debt" has the meaning set forth in Regulations Section 1.704- 2(b)(4) for "partner nonrecourse debt."

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Member Nonrecourse Deductions" has the meaning set forth in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2) for partner nonrecourse deductions.

"Members' Acceptance Notices" has the meaning set forth in Section 9.2(b).

"Membership Interest" means the rights of a Member in distributions (liquidating and otherwise) and allocations of the profits, losses, gains, deductions, and credits of the Company.

"Minimum Gain" has the meaning set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain."

"Net Profit" and "Net Loss" means, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), but with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profit or Net Loss pursuant to this paragraph shall be added to such taxable income or loss;

(c) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations and not otherwise taken into account in computing Net Profit or Net Loss shall be subtracted from such taxable income or loss;

(d) In the event Gross Asset Value of any Company Asset is adjusted pursuant to subparagraphs (ii), (iii), or (iv) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profit or Net Loss.

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year;

(f) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of (adjusted for accumulated Depreciation with respect to such property), notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value; and

(g) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Sections 4.2, 4.3 or 10.2(b) shall not be taken into account in computing Net Profit or Net Loss. The amounts of items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 4.2, 4.3 or 11.0(b) hereof shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (e) above.

"New Securities" has the meaning set forth in Section 9.1(b).

"Nonrecourse Deduction" has the meaning assigned to such term by Regulations Sections 1.704-2(b)(l) and 1.704-2(c).

"Nonrecourse Liability" has the meaning assigned to such term by Regulations Section 1.704-2(b)(3).

"Non-Selling Members" has the meaning set forth in Section 9.2(a).

"Notice Date" has the meaning set forth in Section 9.1(c).

"Offered Securities" has the meaning set forth in Section 9.2(a).

"Original Notice" has the meaning set forth in Section 9.1(c).

"P Subseries" has the meaning set forth in Section 3.1(i).

"Participating Units" has the meaning set forth in Section 3.1(i).

"Participation Notice" has the meaning set forth in Section 9.3(b).

"Partnership Representative" has the meaning set forth in Section 6.5(a).

"Percentage Interest" means, as to a Member's Units, the ratio that the sum of the Units held by such Member bears to the sum of all the issued and outstanding Units of the Company (expressed as a percentage); provided that if determination of a Member's Percentage Interest is being made in connection with determining the amount of any distributions and any Units are not entitled to participate in all or a portion of such distribution, then the Units that are not entitled to participate in all or a portion of such distribution shall not be included in the calculation above to the extent that such Units are not entitled to participate.

"Permitted Transferee" means any Person to whom Units may be transferred to pursuant to the terms of this Agreement.

"Person" means any individual, corporation, governmental agency or authority, limited liability company, partnership, limited partnership, trust,-unincorporated association or other entity.

"Plan" means any bonus or other incentive plan that awards officers, managers, employees or consultants of the Company or any of its subsidiaries rights or payments based on increases in the value, equity value, earnings or revenues of the Company or any of its subsidiaries, other than annual cash bonus plan arrangements entered into in the ordinary course of the Business.

"Presumed Tax Liability" has the meaning set forth in Section 5.1(a).

"Property" means all real and personal property acquired by the Company, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"Proposed Offer" has the meaning set forth in Section 9.2(a).

"Proposed Purchaser" has the meaning set forth in Section 9.2(a).

"Proposed Rules" has the meaning set forth in Section 4.2(a).

"Proposed Transfer" has the meaning set forth in Section 9.3(b).

"Proprietary Information" has the meaning set forth in Section 11.1.

"Qualified Public Offering" means the Company's initial underwritten public offering pursuant to a registration statement declared effective under the Securities Act, covering the offer and sale of the Company's common stock after an Incorporation, with a proposed aggregate market value of such offered common stock greater than or equal to $25,000,000, as such value is determined using the lowest post-offering per share value estimated by the underwriters in such offering.

"Regulations" has the meaning set forth in the definition of Treasury Regulations below.

"Regulatory Allocations" has the meaning set forth in Section 4.2.

"Rule 144" has the meaning set forth in Section 9.5(b).

"Safe Harbor Election" has the meaning set forth in Section 4.6(a).

"Sale Transaction" means a bona fide arm's length transaction involving (a) the direct or indirect acquisition (either in whole or in part) of the Company by another Person (or Persons acting in concert) by means of any transaction or series of related transactions in which outstanding Units or Membership Interests are exchanged for securities or other consideration issued or paid, or caused to be issued or paid by the acquiring Person or any subsidiary of the acquiring Person, (b) a sale, lease, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all of the assets of the Company, unless, in each case, the Members of record as constituted immediately prior to such transfer or sale will, immediately after such transfer or sale (by virtue of securities issued as consideration in the transaction or otherwise) hold at least a majority of the voting power of the surviving, continuing or acquiring Person, or (c) a reorganization, merger or consolidation of the Company, but excluding any merger effected exclusively for the purpose of changing the domicile of the Company.

"Scheduled Closing" has the meaning set forth in Section 9.3(b).

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Member" has the meaning set forth in Section 9.2(a).

"Substitute Member" has the meaning set forth in Section 9.7(b).

"Target Amount" means with respect to any Member for any Fiscal Year or other period, an amount equal to the hypothetical distribution such Member would receive if all Property of the Company were sold for cash equal to its Gross Asset Value, all liabilities allocable to such property were then due and were satisfied according to their terms, all minimum gain chargebacks required by this Agreement were made, and all obligations of the Members to contribute additional capital to the Company were satisfied, and all remaining proceeds from such sale were distributed pursuant to Section 5.2 hereof (except that amounts deemed constructively distributed pursuant to the computation of prior Target Amount balances shall not be treated as having been actually distributed for the current computation of the Target Amount balance). Amounts deemed constructively distributed pursuant to the computation of Target Amount balances shall not be treated as having been actually distributed for the purpose of calculating a Member's entitlements to actual distributions pursuant to Section 5.2 hereof.

"Tax Distribution" has the meaning set forth in Section 5.1(a).

"Threshold Amount" means, with respect to a given P Subseries of Class B Common Units, the dollar amount corresponding to such P Subseries of Class B Common Units as set forth in the applicable Class B Common Unit Agreement. The Threshold Amount with respect to any given P Subseries of Class B Common Unit shall be at least equal to the fair market value of the Company on the date of grant of such P Subseries of Class B Common Unit.

"Transfer" means any direct or indirect sale, gift, bequest, assignment, distribution, conveyance, pledge, hypothecation, encumbrance or other transfer or disposition, whether voluntary or involuntary by operation of law or otherwise, and whether *inter vivos* or testamentary.

"Treasury Regulations" or "Regulations" means the regulations issued under the Code and as in effect at the relevant time.

"Unit Certificates" means the certificates that represent the Units as described in Section 3.5.

"Units" means all units of Membership Interests held by Members.

"Unreturned Unit Capital Contribution Balance" means as to a Member and a Common Unit of which the Member is the record owner, as of any day, the initial Capital Contributions made with respect to such Common Units, reduced by the aggregate amount of cash and the aggregate Gross Asset Value of any Company Assets distributed to the Member pursuant to Section 5.2 (or any distributions made pursuant to the order and priority of such Section) with respect to the Common Units. In the event that any Member transfers all or any portion of its Common Units in accordance with the terms of this Agreement, such Member's transferee shall succeed to such Member's Unreturned Unit Capital Contribution Balance to the extent it relates to such transferred Class A Common Units.

1.2 Other Definitional Provisions. For purposes of this Agreement: (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein to Articles, Sections, and Schedules mean the Articles and Sections of, and Schedules attached to, this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Schedules referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

ARTICLE II

ORGANIZATION

2.1 Formation of the Company. The Company was formed as a Delaware limited liability company pursuant to the Act under the name "Rumpus VEDS LLC" by the filing of the Certificate. The rights and obligations of the Members shall be as provided in the Act, except as otherwise expressly provided herein. The Managing Member shall from time to time execute or cause to be executed all such certificates, instruments and other documents, and do or cause to be done all such filings, recordings, publishings and other acts as the Managing Member may deem necessary or appropriate to comply with the requirements of law for the operation of the Company in all jurisdictions in which the Company will conduct business.

2.2 Name. The name of the Company shall be, and the business of the Company shall be conducted under the name, "Rumpus VEDS LLC." The business of the Company may be conducted under such other name or names as the Managing Member shall determine from time to time.

2.3 Registered Office; Principal Place of Business. The address of the registered office of the Company in the State of Delaware shall be 251 Little Falls Drive, in the City of Wilmington, County of New Castle, Delaware 19808, or such other place as may be designated from time to time by the Managing Member. The name of the registered agent for service of process on the Company in the State of Delaware at such address shall be Corporation Service Company or such other Person as may be designated from time to time by the Managing Member. The Company shall maintain a principal place of business in 300 Brookside Avenue, Ambler, Pennsylvania 19002, or such other location as the Managing Member shall determine. The Managing Member may change the registered agent or registered office, change the location of the Company's principal place of business, or establish additional places of business at such locations as the Managing Member may from time to time determine in compliance with the Act.

2.4 Purposes and Powers.The purpose of the Company is to engage in such business, activity or purpose as permitted by the Act, provided that such activities shall be in or related to lines of business that are reasonably related to the business of the Company as of the date hereof. The Company shall have all the powers necessary or convenient to carry out the purposes for which it is formed, including the powers granted by the Act.

2.5 Title to Property. Title to Company Assets shall be held in the name of the Company.

2.6 Term. The Company commenced its existence upon the filing of the Certificate and shall continue in existence perpetually until it is dissolved in accordance with Article XI.

ARTICLE III

MEMBERSHIP INTERESTS; CAPITAL

3.1 Membership Interests and Capital Contributions.

(a) The Company's Membership Interests shall be divided into two separate and distinct classes of Units in the Company (each, a "Class" of Units), each of which shall carry the rights, preferences, and privileges as set forth herein. The Company is authorized to issue up to 10,000 units of Class A common Membership Interests ("Class A Common Units") and 1,500 units of Class B common Membership Interests ("Class B Common Units" and together with Class A Common Units, the "Common Units").

(b) Except as required under the Act, the Class B Common Units will have no voting rights hereunder.

(c) Each of the Class A Members has acquired the Class A Common Units set forth next to their respective names on Exhibit A as of the date hereof.

(d) Subject to Section 9.1, the Managing Member may authorize the issuance of additional Common Units from time to time which may be subject to such vesting schedules, if any, as the Managing Member shall determine at the time of such issuance. The Company is authorized to issue fractional Common Units.

(e) The Managing Member may create one or more additional Classes, or series within Classes, of Units, having such designations, preferences, and relative, participating, optional, or other special rights as shall be fixed by the Managing Member. The Managing Member shall reflect the creation of any new Class or series in an amendment to this Agreement indicating such designations, preferences and relative, participating, optional, or other special rights, and such amendment need be executed only by the Managing Member.

(f) Subject to Section 9.1, the Managing Member may authorize the Company to issue any options, warrants, or other rights to acquire, or securities convertible or exchangeable into, any such Units or any interest therein on such terms as the Managing Member may determine.

(g) The Class B Common Units may be issued as "profits interests" for United States federal income tax purposes (and corresponding state and local tax provisions), as such term is defined in Rev. Proc. 93-27 and Rev. Proc. 2001-43, and all provisions of this Agreement shall be interpreted consistent with this intention.

(h) Immediately prior to the issuance of a Class B Common Unit issued as a profits interest pursuant to the applicable Class B Unit Award Agreement, the Gross Asset Value of all Company assets shall be adjusted to equal their respective Gross Asset Values and the Capital Accounts of the Members shall be adjusted pursuant to Section 3.2. Each such Class B Common Unit issued as a profits interest shall entitle its record owner to share in the appreciation in the fair market value of Company property from the date of issuance and not in any fair market value of Company property accrued prior to the issuance of such Class B Common Unit. Class B Common Units issued as profits interests pursuant to the applicable Class B Common Unit Award Agreement shall not be entitled to any retroactive allocation of the Company's income, gains, losses, deductions, credits or other items. To the extent consistent with Section 706(d) of the Code and Treasury Regulations promulgated thereunder, the Company's books shall be closed at the time holders of the Class B Common Units are admitted (as though the Company's tax year had ended).

(i) To the extent provided in the applicable Class B Common Unit Award Agreement, an issuance of Class B Common Units issued as a profits interest may be designated a "P Subseries" of Class B Common Units, to be consecutively designated as "Subseries P-l," "Subseries P-2," etc. In connection with the issuance of each P Subseries of Class B Common Units, the Managing Member shall amend Section 5.2 through amendment of Exhibit A to this Agreement providing for a subsection corresponding to each P Subseries of Class B Common Units and establishing the "Threshold Amount" for each P Subseries of Class B Common Units as the minimum aggregate distribution amount that must be made to with respect to Units with no Threshold Amount or a lesser Threshold Amount and issued on or before the issuance of such P Subseries of Class B Common Units pursuant to Section 5.2 (the "Participating Units") before such P Subseries of Class B Common Units shall share in their Percentage Interest of distributions.

(j) Within thirty (30) days from the date of issuance, a Member receiving Class B Common Units issued by the Company as profits interests and subject to vesting may make an election under Section 83(b) of the Code. For this purpose, the fair market value of such Class B Common Units issued as profits interests as reported for income tax purposes by the Company and each Member holding Class B Common Units shall equal the amount that would be distributed with respect to such Class B Common Units as provided in this Agreement if the Company sold all of its assets for their Gross Asset Values, paid all of its liabilities, and liquidated.

3.2 Capital Contributions; Capital Accounts.

The Majority Member and Minority Member own the Class A Common Units set forth on Exhibit A attached hereto. The Majority Member acquired such Class A Common Units from the Company in connection with the formation of the Company and the Minority Member acquired such Class A Common Units from the Company in partial consideration for the license granted to the Company pursuant to the terms of the License Agreement.

(a) In the event that the Managing Member determines that the Company requires additional equity capital, the Managing Member shall deliver a written notice to each other Member setting forth (i) an explanation of the reasons why the Company requires additional capital, (ii) an estimate of the amount of additional capital required by the Company, and (iii) the terms and conditions under which additional Membership Interests are intended to be issued. Each Person who subscribes for an additional Membership Interest and satisfies the conditions established by the Managing Member shall be admitted to the Company as a Member, effective upon the execution by such Person of a counterpart of this Agreement. Notwithstanding the foregoing, the authority of the Managing Member to issue new Membership Interests is subject in all cases to the restrictions and procedural requirements of Section 9.1, and is further subject to the authorization of additional Membership Interests (to the extent applicable) by amendment to Section 3.1(a).

(b) No Member shall be required by the terms of this Agreement to make additional Capital Contributions to the Company.

(c) A Capital Account shall be maintained for each Member in accordance with the requirements of Section 704(b) of the Code and the Treasury Regulations promulgated thereunder.

(d) The initial Capital Account for each Member shall be equal to the amount of Capital Contributions made by the Member in exchange for such class of Membership Interests and as set forth on Exhibit A attached hereto. Such Capital Account shall thereafter be:

(i) *increased* by the Capital Contributions made by such Member after the date of this Agreement and by the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member;

(ii) *increased* by items of income or gain which are allocated to such Member under Article IV;

(iii) *decreased* by the items of loss and deduction which are allocated to the Member under Article IV; and

(iv) *decreased* by the amount of any cash and the fair market value of any Company Asset distributed to such Member and by the amount of any liabilities of such Member assumed by the Company or that are secured by any Property contributed by such Member to the Company.

(e) Upon a transfer of any Membership Interest in accordance with the terms of this Agreement, the Assignee shall succeed to the Capital Account of the transferor which is attributable to such Membership Interest. In determining the amount of any liability for purposes of Sections 3.2(e)(i) and 3.2(e)(iv) above, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

(f) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts shall be applied in accordance with Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations.

(g) Except as otherwise required by law, no Member shall be required to restore any deficit in such Member's Capital Account.

3.3 Loans.

(a) The Members recognize that it may be desirable from time to time to use prudent amounts of leverage through borrowings from banks or other commercial lenders to finance the operation or expansion of the Company's business or other proper Company matters. Subject to the restrictions contained in any loan or other agreement to which the Company is a party, the Managing Member is authorized to cause the Company to obtain such borrowings or credit facilities and use the proceeds thereof to finance the Company's operations or expansion or other proper Company matters.

(b) In addition, the Company may obtain loans from one or more Members (each, a "Member Loan"). Each Member Loan shall be repayable on such terms as the Managing Member and the lending Member may agree, provided that (i) such loan shall be made on an arm's length basis on terms and conditions not less favorable to the Company than those available from unaffiliated third parties for similar loans and (ii) all Class A Members shall be provided a reasonable opportunity to participate as lenders with respect to any requested Member Loans in proportion to their respective number of Units. A loan by a Member to the Company shall not be considered part of such Member's Capital Contribution and shall not increase such Member's Capital Account. Any such Member Loan shall be a debt of the Company to such Member and shall be payable or collectible only out of the Company Assets in accordance with the terms and conditions upon which such Member Loan was made. Notwithstanding the above, the terms of a Member Loan shall not restrict or limit the Tax Distributions.

3.4 Withdrawals; Interest. Except as expressly provided in this Agreement, no Member may withdraw from the Company or receive the return of, or interest on, its Capital Contributions, Capital Account, or other amounts.

3.5 Unit Certificates. The Units may, but need not, be represented by certificates (the "Unit Certificates") in such form as may be approved by the Managing Member. If the Managing Member so chooses to issue Unit Certificates, the Unit Certificates shall state that the Company is organized under the laws of Delaware, the name of the Person to whom the Unit Certificates are issued, the Class of Units represented by such Unit Certificates and the number of Units of the particular Class represented by such Unit Certificates. The Unit register or transfer books and blank Unit Certificates will be kept by the Managing Member. The Unit Certificates of the Company will be numbered and registered in the Unit register or transfer books of the Company as they are issued. They shall be signed by the President or a Vice President, and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the Company.

ARTICLE IV

ALLOCATIONS

4.1 Allocations of Net Profit and Loss. After giving effect to the special allocations set forth in Section 4.2 and Section 4.3, and subject to Section 10.2(b) and Section 4.4, Net Profit and Net Loss for any Fiscal Year shall be allocated to the Members as follows:

(a) (a)The Company's Net Profit for any Fiscal Year shall be allocated to the Members having Capital Account Shortfalls for such Fiscal Year (as determined after taking account of all contributions, distributions, and special allocations during such Fiscal Year, but before taking account of allocations of Net Profit or Net Loss for such Fiscal Year) to the extent of, and in proportion to, their respective Capital Account Shortfalls.

(b) The Company's Net Loss for any Fiscal Year shall be allocated to the Members having Capital Account Excesses for such Fiscal Year (as determined after taking account of all contributions, distributions, and special allocations during such Fiscal Year, but before taking account of allocations of Net Profit or Net Loss for such Fiscal Year) to the extent of, and in proportion to, their respective Capital Account Excesses.

4.2 Regulatory Allocations. The following special allocations shall be made in the following order and priority:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Article IV, if there is a net decrease in the Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of gross income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in the Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2)(i) of the Regulations. This Section 4.2(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704- 2(1) of the Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Article IV, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of gross income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii) of the Regulations. This Section 4.2(b) is intended to comply with the partner minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event that any Member unexpectedly receives any adjustments, allocations or distributions described in Regulations Sections 1.704- 1(b)(2)(ii)(d)(4), (5), or (6), which create or increase an Adjusted Capital Account Deficit for such Member for a Fiscal Year, then items of gross income and gain (consisting of a *pro rata* portion of each item of the Company income, including gross income, and gain for such year and, if necessary, for subsequent years) shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit so created as quickly as possible. It is the intent that this Section 4.2(c) be interpreted as a "qualified income offset" and as otherwise necessary to comply with the alternate test for economic effect set forth in Regulations Section 1.704-1(b)(2)(ii)(d).

(d) Loss Allocation Limitation. The Net Loss allocated pursuant to Section 4.1(b) shall not exceed the maximum amount of Net Loss that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event that some, but not all, of the Members would have an Adjusted Capital Account Deficit as a consequence of an allocation of Net Loss pursuant to Section 4.1(b), the limitation set forth in the preceding sentence shall be applied on a Member by Member basis so as to allocate the maximum permissible Net Loss to each Member consistent with Regulations Section 1.704-1(b)(2)(ii)(d). All Net Loss in excess of the limitation set forth in this Section 4.2(d) shall be allocated to the Members in proportion to their respective positive Capital Account balances, if any, and thereafter to the Members in accordance with their Percentage Interests in the Company. In the event that any Member would have an Adjusted Capital Account Deficit at the end of any Fiscal Year which is in excess of the sum of the amount, if any, that such Member is obligated to restore to the Company under Regulations Section 1.704-1(b)(2)(ii)(c) and such Member's share of the Minimum Gain as defined in Regulations Section 1.704-2(g)(l) and Member Minimum Gain as determined pursuant to Section 1.704-2(i) (which are also treated as obligations to restore in accordance with Regulations Section 1.704-1(b)(2)(ii)(d)), the Capital Account of such Member shall be specially credited with items of the Company income (including gross income) and gain in the amount of such excess as quickly as possible.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Members in proportion to their respective Percentage Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(l).

(g) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any of the Company Assets, pursuant to Section 734(b) or Section 743(b) of the Code, is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Regulations Section 1.704-(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

4.3 Curative Allocations. The allocations set forth in Section 4.2 (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of the Company income, gain, loss or deduction pursuant to this Section 4.3. Therefore, notwithstanding any other provision of this Article IV (other than the Regulatory Allocations), the Managing Member may make such offsetting special allocations of the Company income, gain, loss or deduction in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all the Company items were allocated pursuant to Section 4.1.

4.4 Other Allocation Rules.

(a) For purposes of determining the Net Profit, Net Loss, or any other items allocable to any period, Net Profit, Net Loss, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Managing Member in its reasonable discretion using any permissible method under Section 706 of the Code and the Regulations thereunder.

(b) The Members are aware of the income tax consequences of the allocations made by this Article IV and hereby agree to be bound by the provisions of this Article IV in reporting their shares of the Company income and loss for income tax purposes.

(c) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section l.752-3(a)(3), the Members' interests in the Net Profits shall be deemed to be in proportion to their respective Percentage Interests.

(d) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the Managing Member shall endeavor to treat distributions as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

4.5 Tax Allocations. For each Fiscal Year, items of taxable income, deduction, gain, loss or credit shall be allocated for income tax purposes among the Members in the same manner as their corresponding book items were allocated pursuant to Section 4.1, Section 4.2, Section 4.3, and Section 10.2(b) for such Fiscal Year, as modified by the following principles:

(a) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of Gross Asset Value).

(b) In the event the Gross Asset Value of any of the Company Assets is adjusted pursuant to subparagraph (ii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value as provided under Code Section 704(c) and the Regulations promulgated thereunder.

(c) Any elections or other decisions relating to allocations under this Section 4.5 shall be made by the Managing Member.

(d) Allocations pursuant to this Section 4.5 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Profit, Net Loss, other items, or distributions pursuant to any provision of this Agreement.

4.6 Safe Harbor Election and Forfeiture Allocations.

(a) The Managing Member is hereby authorized to cause the Company to make an election to Value any interest in the Company issued to a Member as compensation for services to the Company (the "Compensatory Interest") at liquidation value (the "Safe Harbor Election"), as the same may be permitted pursuant to or in accordance with the finally promulgated successor rules to Proposed Treasury Regulations Section 1.83-3(1) and IRS Notice 2005-43 (collectively, the "Proposed Rules"). The Managing Member shall cause the Company to make any allocations of items of income, gain, deduction, loss or credit (including forfeiture allocations and elections as to allocation periods) necessary or appropriate to effectuate and maintain the Safe Harbor Election.

(b) Any such Safe Harbor Election shall be binding on the Company and on all of its Members with respect to all transfers of the Compensatory Interest thereafter made by the Company while a Safe Harbor Election is in effect. A Safe Harbor Election once made may be revoked by the Managing Member as permitted by the Proposed Rules or any applicable rule.

(c) Each Member, by signing this Agreement or by accepting such transfer, hereby agrees to comply with all requirements of the Safe Harbor Election with respect to the Compensatory Interest while the Safe Harbor Election remains effective.

(d) The Managing Member shall file or cause the Company to file all returns, reports and other documentation as may be required to perfect and maintain the Safe Harbor Election with respect to transfers of the Compensatory Interest.

(e) The Managing Member is hereby authorized and empowered, without further vote or action of the Members, to amend this Agreement as necessary to comply with the Proposed Rules or any rule, in order to provide for a Safe Harbor Election and the ability to maintain or revoke the same, and shall have the authority to execute any such amendment by and on behalf of each Member. Any undertakings by the Members necessary to enable or preserve a Safe Harbor Election may be reflected in such amendments and to the extent so reflected shall be binding on each Member, respectively, provided, that such amendments are not reasonably likely to have a material adverse effect on the rights and obligations of the Members.

(f) Each Member agrees to cooperate with the Managing Member to perfect and maintain any Safe Harbor Election, and to timely execute and deliver any documentation with respect thereto reasonably requested by the Managing Member.

(g) No transfer, assignment or other disposition of any interest in the Company by a Member shall be effective unless prior to such transfer, assignment or disposition the transferee, assignee or intended recipient of such interest shall have agreed in writing to be bound by the provisions of this Section 4.6, in form reasonably satisfactory to the Managing Member.

ARTICLE V

DISTRIBUTIONS

5.1 Tax Distributions.

(a) Within 90 days of the end of each Fiscal Year, the Company shall distribute to each Member, with respect to such Fiscal Year, Distributable Cash for Tax Distributions in an amount equal to such Member's Presumed Tax Liability for such Fiscal Year (a "Tax Distribution").

(b) The Company may elect to distribute such Tax Distributions in quarterly installments on an estimated basis prior to the end of a Fiscal Year to enable the Members to pay estimated tax obligations.

(c) Any amounts distributed pursuant to this Section 5.1 will be deemed to be an advance distribution of amounts otherwise distributable to the Members pursuant to Section 5.2 and will reduce the amounts that would subsequently otherwise have been distributable to the Members pursuant to Section 5.2 in the order they would otherwise have been distributable, provided, however, that no distribution pursuant to this Section 5.1 shall reduce any Member's Unreturned Unit Capital Contribution Balance.

(d) The obligation to make Tax Distributions with respect to any Fiscal Year pursuant to this Section 5.1 shall be reduced by any distributions made pursuant to Section 5.2 during such Fiscal Year or prior to the expiration of the 90-day period following the end of such Fiscal Year; provided, however, that distributions made in such 90-day period to satisfy a Tax Distribution obligation with respect to a prior Fiscal Year shall not be credited against the required Tax Distributions for the Fiscal Year in which such distributions were made.

(e) For purposes of this Section 5.1, "Presumed Tax Liability" for each Member for a Fiscal Year shall mean an amount equal to the product of (a) the amount of taxable income (including any tax items required to be separately stated under Section 703 of the Code) allocated to such Member for that Fiscal Year pursuant to Section 4.5, and (b) the maximum marginal federal income tax rate (specifically adjusted for the federal deduction for state income taxes) applicable to individuals during the Fiscal Year (without reference to minimum taxes, alternative minimum taxes, or income tax surcharges), each as determined by the Managing Member. All amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any payment, distribution or allocation to the Members shall be treated as amounts paid or distributed, as the case may be, to the Members with respect to which such amount was withheld and shall be treated as a Tax Distribution for the purpose of this Section 5.1. The Company is authorized to withhold from payments and distributions, or with respect to allocations to the Members, and to pay over to any federal, state and local government, or any foreign government, any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state, or local law or any foreign law.

5.2 Other Distributions.

(a) The Managing Member may from time to time cause the Company to make distributions of the Company's Distributable Cash remaining after distributions made pursuant to Section 5.1. All such distributions of Distributable Cash shall be made to the Members as follows:

(i) first, to the holders of Class A Common Units and Class B Common Units to the extent of, and in proportion to, their respective then outstanding Unreturned Unit Capital Contribution Balance;

(ii) second, to all Members in proportion to their respective Percentage Interests; provided, however, that Class B Members holding Class B Common Units that are profits interests shall only be entitled to distributions as to their Percentage Interest of the excess (if any) of Distributable Cash remaining after the Members holding Participating Units that are not profits interests have received, with respect to such Participating Units, the respective Threshold Amount associated with each such Class B Common Unit that may be issued from time to time hereunder. Schedule A to the Agreement sets forth the respective Threshold Amounts applicable to each Class B Common Unit (if applicable).

5.3 Distributions in Kind.

(a) Except as otherwise provided by this Agreement, distributions of Property may be made in cash or in kind as determined by the Managing Member in its reasonable discretion; provided, that all Tax Distributions shall be paid in cash equivalent funds, and the form in which a particular distribution is paid shall be uniform as to all Members sharing in that distribution, Immediately prior to any distribution to be made pursuant to Section 5.2 in kind, the Gross Asset Value of the Property to be distributed shall be adjusted to its fair market value as provided in the definition of Gross Asset Value.

(b) Any distribution of securities shall be subject to such conditions and restrictions as the Managing Member determines are required or advisable to ensure compliance with applicable law. In furtherance of the foregoing, the Managing Member may require that the Members execute and deliver such documents as the Managing Member may deem necessary or appropriate to ensure compliance with all federal and state securities laws that apply to such distribution and any further Transfer of the distributed securities, and may appropriately legend the certificates that represent such securities to reflect any restriction on Transfer with respect to such laws.

5.4 Distributions in Respect of Units Transferred. Distributions of the Company Assets in respect of Units in the Company shall be made only to Persons who, according to the books and records of the Company, are the owners of record of the Units in the Company in respect of which such distributions are made on the date determined by the Managing Member as of which owners of Units in the Company are entitled to such distributions. The Managing Member and the Company shall incur no liability for making distributions to such owners of record in accordance with the provisions of this Section 5.4, whether or not the Managing Member or the Company have knowledge or notice of any transfer of ownership of any Units in the Company.

ARTICLE VI

RECORDS AND ACCOUNTING; REPORTS; TAX MATTERS

6.1 Accounting.

(a) The Managing Member shall maintain, and shall cause each of the Company's subsidiaries, if any, to maintain, a system of accounting established and administered in accordance with GAAP, and all financial statements or information supplied to the Members shall be prepared in accordance with GAAP (subject, in the case of monthly unaudited statements, to normal year-end adjustments and the omission of footnotes). The fiscal year of the Company ("Fiscal Year") shall be a 12-month period ending December 31, unless the Company is required to adopt a different Fiscal Year under section 706 of the Code. In addition, the Managing Member shall maintain such other books and records as may be required to compute Capital Accounts under this Agreement.

(b) All matters concerning the valuation of assets and accounting procedures shall be determined by the Managing Member except as otherwise expressly set forth herein.

(c) Within 120 days of the end of each Fiscal Year, the Company shall distribute a copy of the unaudited or compiled GAAP financial statements to all Class A Members. Within fifteen days of the end of each calendar month, the Company shall distribute a copy of the monthly and year to date financial statements to all Class A Members. The Company shall distribute to each Member all financial statements and accounting information reasonably requested in writing by the Member from time to time within ten days after such request.

6.2 Unit Register. The Managing Member shall maintain a register of all of the Members, setting forth next to the name of each the type and number of Units of Membership Interest owned by such Member, and a register of the owners of any rights (including conversion rights) for Units of Membership Interest. Such registers shall be maintained at the Company's principal place of business, and each Member or the Member's duly authorized representative shall have the right to inspect and copy such registers upon reasonable notice, at all reasonable times during business hours.

6.3 Tax Returns. The Managing Member shall cause federal, state, and local income tax returns for the Company to be prepared and timely filed (without regard to applicable extensions) with the appropriate authorities and shall cause the Company to deliver to the Members or Assignees, no later than 90 days after the end of each Fiscal Year, K-1 statements necessary for such Members or Assignees to prepare their federal, state, and local tax returns for such Fiscal Year.

6.4 Company Funds. Pending use in the business of the Company or distribution to the Members, the funds of the Company may, in the discretion of the Managing Member, be deposited in a bank account or accounts, or invested in the following interest-bearing taxable or nontaxable investments; checking and savings accounts, certificates of deposit and time or demand deposits in commercial banks, U.S. government securities, securities fully guaranteed by U.S. government agencies, bankers' acceptances, securities issued by money market mutual funds, savings and loan association deposits, deposits in members of the Federal Home Loan Bank System, or commercial paper, rated A-I or better by Standard & Poor's Corporation or Prime-I or better by Moody's Commercial Paper Division of Moody's Investor Services, Inc., or the successor to either of them; provided that the Managing Member shall not make any such deposits or investments that would require registration of the Company under the Investment Company Act of 1940. Such funds shall not be commingled with funds of any other Person. Withdrawal of funds shall be made upon such signatures as the Managing Member may designate.

6.5 Tax Audits.

(a) For each taxable year in which the Company is subject to the partnership audit regime under subchapter C to chapter 63 of the Code, as added by the Bipartisan Budget Act of 2015, and the Treasury Regulations and other guidance promulgated thereunder, the Managing Member shall cause the Company to designate a Member (or other Person as permitted under applicable law) to act as the Company's "partnership representative" within the meaning of Section 6223 of the Code (the "Partnership Representative"), and, if the Partnership Representative is an entity, the Managing Member shall cause the Company to appoint a "designated individual" within the meaning of Treasury Regulations Section 301.6223-1(b)(3) to act on behalf of the Partnership Representative (the "Designated Individual"). The Members acknowledge and agree that the initial Partnership Representative shall be Nate Massari.

(b) Any Person serving as the Company's Partnership Representative or Designated Individual, as applicable, will act at the direction of the Managing Member in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, with respect to the taxable year(s) such Person was designated to serve in such capacity, until such Person resigns or is replaced by the Managing Member in accordance with applicable IRS procedures. The Partnership Representative shall keep the Members reasonably informed of any administrative and judicial proceedings, and each Member agrees to cooperate with the Company and to do or refrain from doing any or all things reasonably requested by the Company with respect to the conduct of such proceedings.

(c) The Company shall not pay any fees or other compensation to the Partnership Representative or Designated Individual in such Person's capacity as such; however, the Company shall reimburse the Partnership Representative or Designated Individual, as applicable, for any and all reasonable out-of-pocket costs and expenses (including reasonable attorneys and other professional fees) incurred by such Person in its capacity as such. The Company shall indemnify, defend and hold the Partnership Representative and Designated Individual harmless from and against any loss, liability, damage, costs or expense (including reasonable attorneys' fees) sustained or incurred as a result of any act or decision concerning Company tax matters and within the scope of such Member's responsibilities as such, so long as such act or decision does not constitute gross negligence or willful misconduct.

(d) Each Member shall furnish to the Partnership Representative such information (including information specified in Code Section 6230(e)) as such Partnership Representative may, in its reasonable discretion, request to permit it to provide the Internal Revenue Service with sufficient information to allow proper notice to the Members in accordance with Code Section 6223 or any other provisions of the Code or the published regulations thereunder which require the Partnership Representative to obtain information from the Members.

6.6 Tax Elections. The Managing Member in its sole discretion may make and revoke (to the extent permitted by law) any and all elections for federal, state and local tax purposes, including any election with respect to the preparation and filing of tax returns or any other election which the Company may be entitled to make. The Members shall supply all information reasonably requested by the Managing Member that is related to any such tax elections.

6.7 Accountants. The Managing Member shall engage, at Company's expense, the Accountants to assist in the annual closing of the Company's books, to prepare the Company's information and tax returns, and to perform such other similar tasks as shall be determined from time to time by the Managing Member or the executive officers of the Company.

ARTICLE VII

MANAGEMENT

7.1 Management of the Company. The business and affairs of the Company shall be managed by the Managing Member. Except as may otherwise be required by the Act, the Managing Member shall have full and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company set forth in Section 2.4. The actions of the Managing Member taken in accordance with the provisions of this Agreement shall bind the Company. No other Member of the Company shall have any authority or right to act on behalf of or bind the Company, unless otherwise provided herein or unless specifically authorized by the Managing Member pursuant to a resolution expressly authorizing such action, which resolution is duly adopted by the Managing Member.

7.2 Limited Liability. To the fullest extent permitted under applicable law, neither the Managing Member, any other Member, or officer, nor any member, employee, shareholder, director, officer, trustee or agent of the Managing Member, any other Member, or officer, shall be deemed to violate this Agreement or be liable, responsible or accountable in damages or otherwise to any Member or the Company for any action or failure to act, unless such violation or liability is attributable to such Person's gross negligence, willful misconduct or bad faith. Without limiting the generality of the foregoing, each such Person shall, in the performance of his, her or its duties, be fully protected in relying in good faith upon the records of the Company and upon information, opinions, reports or statements presented to such Person by the Managing Member or by any other Person as to matters such Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, the Managing Member or other Member. The Company shall use all commercially reasonable efforts to obtain and maintain director and officer liability insurance coverage for the Managing Member and Company officers at levels reasonably commensurate with market norms for business entities of a size and nature similar to the Company.

7.3 Indemnification.

(a) The Company shall, to the fullest extent permitted by applicable law, indemnify each Indemnitee (as defined below) against expenses (including legal fees and expenses), judgments, fines and amounts paid in settlement, actually and reasonably incurred by such Indemnitee, in connection with any threatened, pending or completed action, suit or proceeding to which such Indemnitee was or is a party or is threatened to be made a party by reason of the Indemnitee's status as a Member, Managing Member, officer, employee, agent or Affiliate of the Company (each, an "Indemnitee" and collectively, the "Indemnitees"); provided that the Indemnitee acted (or failed to act) in good faith, and the act or omission which is the basis of such demand, claim, action, suit or proceeding does not involve the gross negligence or willful misconduct of such Indemnitee.

(b) All reasonable out-of-pocket expenses (including reasonable legal fees and expenses) incurred in defending any proceeding subject to Section 7.5(a) shall be paid by the Company in advance of the final disposition of such proceeding upon receipt of an undertaking (which need not be secured) by or on behalf of the Indemnitee to repay such amount if it shall ultimately be determined, by a court of competent jurisdiction, that the Indemnitee is not entitled to be indemnified by the Company as authorized hereunder.

(c) The indemnification provided by Section 7.5(a) shall be in addition to any other rights to which the Indemnitees may be entitled and shall continue as to an Indemnitee who has ceased to serve in a capacity for which the Indemnitee is entitled to indemnification, and shall inure to the benefit of the heirs, successors, assigns, administrators and personal representatives of the Indemnitee.

(d) An Indemnitee shall not be denied indemnification in whole or in part under Section 7.5(a) because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(e) The provisions of this Section 7.5 are for the benefit of the Indemnitees and their heirs, successors, assigns, administrators and personal representatives, and shall not be deemed to create any rights or be for the benefit of any other person.

(f) No amendment to this Section 7.5 shall limit the rights to indemnification of any Indemnitee unless the Indemnitee consented in writing to the amendment of this Section 7.5.

7.4 Affiliated Transactions. Except as approved by the Managing Member, the Company shall not enter into or maintain any transaction or agreement with any Member, or any of their Affiliates, except in the ordinary course of business and upon fair, reasonable and arm's length terms no less favorable to the Company than would be obtained by the Company in a comparable arm's length transaction with an unaffiliated Person.

7.5 Officers. The officers of the Company shall consist of at least a President, Treasurer and Secretary, each of whom shall be elected or appointed by the Managing Member. The Managing Member from time to time may create and establish the duties of other offices and may elect or appoint, or authorize specific officers to appoint, the individuals who shall hold such other offices. Any two or more offices may be held by the same individual.

(a) Initial Officers.

The initial officers (subject to Section 7.7(c)) shall be as follows:

Officer	Office
Christopher Brooke	President
Greg Keenan	Secretary
Nate Massari	Treasurer

(b) Term. Each officer shall serve at the pleasure of the Managing Member until his or her death, resignation or removal, or until his or her replacement is elected or appointed in accordance with this Article VII and subject to the terms of any employment agreement with such officer.

(c) Compensation. The compensation of all officers of the Company shall be fixed by the Managing Member or officer appointed by the Managing Member. No officer shall be prevented from receiving such salary by reason of the fact that the officer is also a Member of the Company.

(d) President. The President shall perform such duties as may from time to time be assigned to the President by the Managing Member. The President shall preside at and serve as chair of meetings of the Members.

(e) Vice President. The Vice President shall perform such duties as may from time to time be assigned to the Vice President by the Managing Member.

(f) Treasurer. Unless otherwise provided by the Managing Member, the Treasurer shall be responsible for the custody of all funds and securities belonging to the Company and for the receipt, deposit, or disbursement of these funds and securities under the direction of the Managing Member. The Treasurer shall cause full and true accounts of all receipts and disbursements to be maintained and shall make reports of these receipts and disbursements to the Managing Member upon request. The Treasurer shall perform any other duties and have any other authority as from time to time may be delegated by the Managing Member.

(g) Secretary. The Secretary shall be responsible for preparing minutes of the meetings of Members and the Managing Member and for authenticating records of the Company. The Secretary shall have authority to give all notices required by law or this Agreement. The Secretary shall be responsible for the custody of the Company books, records, contracts, and other documents. The Secretary may attest to the signature of any officer of the Company, and shall sign any instrument that requires the Secretary's signature. The Secretary shall perform any other duties and have any other authority as from time to time may be delegated by the Managing Member.

7.6 Compensation and Reimbursement of Managing Member. The Managing Member shall not be compensated for its services as the Managing Member, but the Company shall reimburse the Managing Member for all ordinary, necessary and direct expenses incurred by the Managing Member on behalf of the Company in carrying out the Company's business activities, including, without limitation, salaries of officers and employees of the Managing Member who are carrying out the Company's business activities. All reimbursements for expenses shall be reasonable in amount and appropriately documented by the Managing Member.

7.7 Resignation of Managing Member. The Managing Member may voluntarily resign at any point upon reasonable advance written notice to the other Members. Upon such resignation, the Majority Member shall appoint another Person (who may be an Affiliate of the Majority Member) to manage the operations of the Company. The resignation of the Managing Member shall not affect its rights as a Member and shall not constitute a withdrawal of a Member.

ARTICLE VIII

MEMBERS

8.1 Limited Liability. Except to the extent required by the Act, no Member shall be liable for any debts, obligations or liabilities of the Company.

8.2 Meetings of Members. Meetings of the Members, for any purpose or purposes, may be called by any Member or group of Members holding at least ten percent (10%) of the outstanding Common Units.

8.3 Place of Meetings. Meetings of the Members may be held at any place, within or outside of the State of Delaware, for any meeting designated in any notice of such meeting. If no such designation is made, the place of any such meeting shall be the chief executive office of the Company.

8.4 Notice of Meetings. Written notice stating (a) the place, day and hour of the meeting, (b) that it is being issued by or at the direction of the Member or Members calling the meeting, and (c) the purpose or purposes for which the meeting is called, shall be delivered at least three days before the date of the meeting. Such notice may be delivered by mail, overnight courier, facsimile, or electronically.

8.5 Record Date. For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment of such meeting, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed shall be the record date for making such a determination. When a determination of Members entitled to vote at any meeting has been made pursuant to this Section, the determination shall apply to any adjournment of the meeting.

8.6 Quorum. A quorum for a meeting of all Members shall be Members holding a majority of the outstanding Class A Common Units. In the absence of a quorum, Members holding a majority of the Class A Common Units so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice.

8.7 Manner of Acting. If an applicable quorum is present, the vote of Members holding not less than a majority of the outstanding Class A Common Units shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, the Certificate, or this Agreement. For the avoidance of doubt, except as required by applicable law, the holders of Class B Common Units shall have no voting rights by virtue of holding Class B Common Units. Any meeting of the Members may be held by conference telephone or similar communication equipment so long as all Members participating in the meeting can hear one another, and all Members participating by telephone or similar communication equipment shall be deemed to be present in person at the meeting. For purposes of clarity, unless the vote, consent or approval of the Members is required by the terms of this Agreement or by the Act, the Members shall not have any right, power and authority to take or approve any action or other matter on behalf of the Company.

8.8 Proxies. Any Member may vote in person or by a proxy executed by such Member or by a duly authorized attorney-in fact of such Member. Every proxy must be signed by the Member or his or its attorney-in-fact. Every proxy shall be revocable at the pleasure of the Member executing it. The authority of the holder of a proxy to act shall not be revoked by the incompetence, death or bankruptcy of the Member who executed the proxy unless, before authority is exercised, written notice of an adjudication of such incompetence, death or bankruptcy is received by the Managing Member.

8.9 Action by Members without a Meeting. Whenever the Members are required or permitted to take any action by vote, such action may be taken or authorized without a meeting, without prior notice and without a vote, if a consent or consents in writing or by Electronic Transmission, setting forth the action so taken shall be signed by the Members representing not less than the minimum number of Class A Common Units that would be necessary to take or authorize such actions at a meeting of the Members in which all Members holding Class A Common Units entitled to vote thereon were present and such consent or consents are filed with the minutes of proceedings of the Members. Every written consent shall bear the date of signature of each Member who signs the consent.

8.10 Waiver of Notice. Notice of a meeting need not be given to any Member who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any Member at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting that the meeting was not lawfully called or convened, shall constitute a waiver of notice by him or her.

8.11 Application to a Class of Members. The rules set forth in this Article VIII that apply to all Members shall apply equally to meetings of or actions by any class of Members.

8.12 Waiver of Fiduciary Duties. To the fullest extent permitted by law, no Member, in his, her or its capacity as a Member, shall have any duties or liabilities, including fiduciary duties, to the Company, any other Member or any other Persons bound by this Agreement and all such duties or liabilities are hereby irrevocably disclaimed and eliminated. The provisions of this Agreement, to the extent that they restrict or otherwise modify or eliminate the duties and liabilities, including fiduciary duties, of a Member otherwise existing at law or in equity, are agreed by the Members to replace any such other duties or liabilities of a Member.

ARTICLE IX

EQUITY HOLDER RIGHTS AND RESTRICTIONS ON TRANSFER

9.1 Preemptive Rights.

(a) Each Class A Member and the Minority Member (each, a "Preemptive Rights Member") shall have the right of first refusal to purchase up to its proportionate number of any New Securities (as defined below) that the Company may, from time to time, propose to issue and sell after the date hereof, together with rights of overallotment such that, if any Preemptive Rights Member fails to exercise its rights hereunder to purchase its proportionate number of New Securities to the fullest extent permitted hereby, the other Preemptive Rights Members may purchase their proportionate number (determined with reference only to those Preemptive Rights Member exercising overallotment rights), or any lesser number, of New Securities that the Preemptive Rights Members have elected not to purchase. For purposes of this Section 9.1, each Preemptive Rights Member's "proportionate number" means the product of (i) the number of New Securities proposed to be issued and (ii) a percentage determined by dividing (x) the number of Common Units held by such Preemptive Rights Member, by (y) the total number of Units held by all Preemptive Rights Member exercising their rights hereunder (or, in the case of the exercise of overallotment rights, all Class A Members exercising such overallotment rights).

(b) As used in this Section 9.1, the term "New Securities" shall mean (i) any Membership Interests in the Company, including, without limitation, Common Units, (ii) any rights, options or warrants to purchase any such interests or to purchase any securities of any type whatsoever that are, or may become, convertible into or exercisable for any such interests, (i) any securities of any type whatsoever that are, or may become, convertible into or exercisable for any such interests; provided, however, that "New Securities" shall not include (A) securities issued pursuant to the acquisition of another entity (other than an Affiliate of the Company) by the Company by merger, purchase of substantially all of such other entity's assets (or the assets of any operating division of such entity), or by other reorganization whereby the Company ends up owning, directly or indirectly, greater than 50% of the voting power of such entity, (B) securities issued as additional yield in connection with incurring indebtedness for borrowed money; provided such securities shall not in total exceed 10% of the outstanding Membership Interests, (C) any securities within the meaning of clause (ii) of this Section 9.1(b) that are issued in connection with a Plan (including, for the avoidance of doubt, upon conversion or exchange of any such Unit or other security issued pursuant to a Plan), or (D) issuances of Class B Common Units to officers, employees or consultants to the Company and its subsidiaries-as part of such employees or consultants compensation arrangements.

(c) In the event the Company proposes to undertake an issuance of New Securities, it shall give each Preemptive Rights Member written notice of its intention to do so at least 30 days prior to such issuance, describing the New Securities and the price and terms upon which the Company proposes to issue the same (the "Original Notice"). Each Preemptive Rights Member may purchase such number of New Securities up to such Preemptive Rights Member's proportionate number of such New Securities (the "Full Amount") for the price and upon the terms specified in the Original Notice by giving written notice to the Company no later than 20 days after the date of receiving the Original Notice (the "Notice Date") identifying the number of New Securities (up to the Full Amount) to be purchased. If any Preemptive Rights Member fails to deliver a written notice electing to purchase such Preemptive Rights Member's Full Amount by such Notice Date, the Company will give all other Preemptive Rights Members a written notice identifying such additional New Securities as are available for purchase, and the right of overallotment (as described in Section 9.1(a) above) may be exercised by all Preemptive Rights Members that elected to purchase their Full Amount within 10 days after receipt of such notice.

(d) In the event the Preemptive Rights Members fail to exercise such preemptive right in full within said 20-day period or 10-day period, as the case may be, the Company shall have 120 days thereafter to sell the New Securities as to which the Preemptive Rights Members' rights were not exercised, at a price and upon terms no more favorable to the purchasers thereof than those specified in the Original Notice. In the event the Company has not sold such New Securities within said 120-day period, the Company shall not thereafter issue or sell any New Securities without first offering such New Securities to the Preemptive Rights Members in the manner provided above.

(e) Notwithstanding any other provision of this Agreement, from the Effective Date until the date that the Company has cumulatively raised or expended a minimum of five million U.S. dollars ($5,000,000 USD) (the "Dilution Protection Cap") by either (i) the closing of one or a series of equity financing transactions (a "Qualified Financing"), or (ii) direct funding by the Company of the development or commercialization of Licensed Products (as defined in the License Agreement), the Company will issue to the Minority Member, from time to time and at no additional consideration, such additional number of Class B Common Units as will cause the Minority Member to continue to hold, in the aggregate, five percent (5%) of the Fully Diluted Capitalization, assuming the exercise, conversion and exchange of all outstanding securities of Company for or into Units.

9.2 Right of First Refusal

(a) Except for Transfers permitted by Sections 9.3 and 9.5(b), if a Member desires to Transfer any Common Units or other securities convertible into or exercisable for Common Units (the securities subject to the Transfer, collectively, the "Offered Securities"), such Member (the "Selling Member") will first obtain in writing an offer (a "Proposed Offer") from a potential transferee other than an Affiliate of such Selling Member (the "Proposed Purchaser") to purchase such Offered Securities. In the event that the Selling Member proposes to accept such Proposed Offer, the Selling Member may not sell any of such Offered Securities unless the Selling Member has first complied with the applicable provisions of this Article IX. The Selling Member will give written notice (the "First Refusal Notice") to each non-selling Class A Member (collectively, the "Non-Selling Members"), stating the purchase price to be paid by the Proposed Purchaser, the payment terms, the number and type of Offered Securities, and other material terms and conditions upon which such Offered Securities are to be sold to the Proposed Purchaser, and making an offer to sell such Offered Securities first to the Non-Selling Members (as hereinafter defined) pursuant to the terms and conditions of this Section, at the price and on the other terms described in the First Refusal Notice. The date upon which the First Refusal Notice is given to the Non-Selling Members is called the "First Refusal Notice Date."

(b) Each Non-Selling Member may elect to purchase the Offered Securities by giving written notice thereof (the "Members' Acceptance Notices") to the Selling Member and the Company within 20 days after the First Refusal Notice Date setting forth the maximum number of Offered Securities such Non-Selling Member is willing to purchase. In the event that the Members' Acceptance Notices in the aggregate contain offers to purchase more than the number of Offered Securities available, the Non-Selling Members shall be entitled to purchase such Offered Securities pro rata among themselves on the basis of the number of Common Units held by each such Non-Selling Member. In the event the Proposed Offer has been accepted in its entirety by the Non-Selling Members, the Selling Member shall sell the Offered Securities to the Non-Selling Members on the terms and conditions set forth in the First Refusal Notice and the closing shall take place 40 days after the First Refusal Notice Date, unless a later date is agreed to by the parties.

(c) In the event the Proposed Offer has not been accepted in its entirety by the Non-Selling Members, the Selling Member shall not be obligated to sell any Offered Securities to the Non-Selling Members, and the Selling Member may, within 120 days after the First Refusal Notice Date, sell the Offered Securities to the Proposed Purchaser on terms no more favorable to the Proposed Purchaser than those stated in the First Refusal Notice. If such sale has not been completed within such 120-day period, such sale may not be carried out without complying again with the provisions of this Section. The Proposed Purchaser shall be required to sign a joinder to this Agreement and the Offered Securities transferred to the Proposed Purchaser shall remain subject to this Agreement.

(d) Notwithstanding anything to the contrary herein, the Class B Members shall not be entitled to the rights set forth in this Section 9.2 with respect to the Class B Common Units that such Class B Members own.

9.3 Co-Sale Rights.

(a) In the event that after complying with the terms of Section 9.2, a Member desires to sell the Offered Securities, then except for transfers permitted under Section 9.5(b), such Selling Member's right to accept any offer shall be conditioned upon all the Non-Selling Members being offered the right to sell to the Proposed Purchaser their "proportionate number" of the Common Units in lieu of the Selling Member selling that proportionate number of the Offered Securities to the Proposed Purchaser. Each Non-Selling Member's "proportionate number" of the Common Units shall be determined by multiplying the Common Units represented by the Offered Securities by a fraction, (x) the numerator of which is the number of Common Units held by such Non-Selling Member and (y) the denominator of which is the total number of Common Units. The Common Units to be purchased from the Non-Selling Members pursuant to this Section 9.3 shall be paid and contracted for in proportion to the amount that would be distributed with respect to the Common Units if the amounts to be paid by the Proposed Purchaser had been received by the Company and distributed in accordance with Section 5.2 (including taking into account all amounts paid to the Selling Member and its Affiliates in the transaction by the Proposed Purchaser and its Affiliates), with the same form of consideration and otherwise upon the same terms and conditions as the sale by the Selling Member(s) of the Offered Securities to the Proposed Purchaser.

(b) The Selling Member shall, not less than 30 days prior to each sale of Offered Securities to a Proposed Purchaser (a "Proposed Transfer") it intends to effect, notify all Non-Selling Members in writing of such Proposed Transfer (the "Participation Notice"). Such Participation Notice shall set forth: (i) the number and type of Offered Securities; (ii) the name(s) and address(es) of the Proposed Purchaser(s); (iii) the proposed amount and all forms of consideration and terms and conditions of payment offered by such Proposed Purchaser, including the proposed date for the closing of the Proposed Transfer, which date must be at least 30 days after the date of the Transaction Notice (the "Scheduled Closing"); (iv) copies of the transaction documents for the Proposed Transfer, and (v) that the Proposed Purchaser has been informed of the co-sale rights of the Non-Selling Members and that the Proposed Purchaser has agreed to purchase the Offered Securities in accordance with the terms hereof.

(c) The co-sale rights described in this Section 9.3 may be exercised by the Non-Selling Members' delivery of a written notice to the Selling Member (the "Exercise Notice") at least ten days prior to the Scheduled Closing. Such notice shall state the number of Common Units the Non-Selling Members elect to include in such sale to the Proposed Purchaser. If a Non-Selling Member fails to timely provide an Exercise Notice, such failure shall be regarded as an election by such Non-Selling Member not to participate in the Proposed Transfer. In addition, if a Non-Selling Member fails to elect to sell its full "proportionate amount," the amount such Non-Selling Member fails to sell may be sold by the Selling Member to the Proposed Purchaser.

(d) In the event that any Non-Selling Member exercises its co-sale rights pursuant to this Section 9.3 and the Proposed Purchaser is not willing to purchase Common Units from the Non-Selling Member on the same terms and conditions as specified in the Participation Notice, then the Selling Member shall not be permitted to sell any Common Units to the Proposed Purchaser pursuant to the Proposed Transfer.

(e) In the event that a Non-Selling Member exercises its co-sale rights pursuant to this Section 9.3, the Non-Selling Member shall not be required to undertake any agreement or obligation or to make any representation or warranty, except for the following: (i) the Non-Selling Member may be required to make representations and warranties with respect to such Member and Member's title to and ownership of Common Units; and (ii) the Non-Selling Member shall only be obligated to provide indemnification on a *pro rata* indemnification described below. With respect to any obligation that relates solely to a particular Non-Selling Member, such as indemnification with respect to representations or warranties given by the Non- Selling Member, only such Non-Selling Member or member shall be liable. Each Non-Selling Member shall be obligated to join on a *pro rata* basis (based on the consideration to be received by the Non-Selling Member and the Selling Member in the transaction) in any indemnification that the Members collectively are required to provide in connection with the transaction; provided that the Non-Selling Member and the Selling Member will (1) each use their commercially reasonable efforts to obtain several and not joint liability among them and (2) in the event such efforts fails, enter into a contribution agreement among themselves with respect to joint and several liability among them. In no event shall a Non-Selling Member be obligated in connection with any indemnification obligation relating to a transaction set forth in this Section 9.3 in an amount in excess of the consideration actually received by such Member in connection with the sale of Common Units, pursuant to the co-sale rights described in this Section 9.3.

(f) Notwithstanding anything to the contrary herein, the Class B Members shall not be entitled to the rights set forth in this Section 9.3 with respect to the Class B Common Units that such Class B Members own,

9.4 Drag-Along Rights.

(a) In the event that the Majority Member desires to consummate a Sale Transaction (an "Approved Sale"), the Majority Member shall provide written notice thereof to the Company and to all other Members, which notice shall describe the proposed Sale Transaction and specify that rights are exercisable pursuant to this Section 9.4, whereupon each Member will participate in, vote for (if applicable), consent to and raise no objections against, such Approved Sale, as more particularly set forth in this Section 9.4(a). Without limiting the generality of the foregoing, each Member hereby agrees that at any meeting or vote of the Members, however called, where an Approved Sale is being considered, it will vote all Common Units entitled to vote thereon that are beneficially and/or of record owned by it in favor of such Approved Sale and any actions required in furtherance thereof and against any actions other than in furtherance of the contemplated Approved Sale or any other action that is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, or adversely affect the contemplated Approved Sale. The Approved Sale shall require that the aggregate consideration in the Approved Sale (taking into account all amounts paid to the Managing Member and their Affiliates), be apportioned between the Common Units being sold based on the amounts that would be distributed with respect to the Common Units if the aggregate consideration in the Approved Sale had been received by the Company and distributed in accordance with Section 5.2 and each Member selling Common Units be entitled to receive the same consideration form, payment terms, and security.

(b) If the Approved Sale is structured as a merger (including one where the Company is the surviving limited liability company) or consolidation, each Member will in addition to voting in favor of the Approved Sale, waive any dissenter's rights, appraisal rights or similar rights in connection with such merger or consolidation and will not otherwise exercise any such right. If such Approved Sale is structured as a Transfer of Units or equity securities of the Company, each Member will agree to sell all of its Units on the terms and conditions of the Approved Sale; provided that if an Approved Sale involves a Transfer of less than all of the then outstanding Common Units, each Member will participate in such Transfer on a *pro rata* basis (based on the number of Common Units held by each such Member). A Transfer made pursuant to an Approved Sale shall not be subject to the right of first refusal set forth in Section 9.2 or the co-sale rights set forth in Section 9.3.

(c) In connection with an Approved Sale, no Member shall be required to undertake any agreement or obligation or to make any representation or warranty, except for the following: (i) each Member shall be required to make representations and warranties with respect to such Member and such Member's title to and ownership of Common Units; (ii) each Member shall be required to deliver such Member's Common Units in connection with an Approved Sale and execute any documents in furtherance thereof; and (iii) each Member shall enter into and be bound by the *pro rata* indemnification described below. With respect to any obligation that relates solely to a particular Member, such as indemnification with respect to representations or warranties given by a Member regarding such Member's title to and ownership of Common Units, only such Member shall be liable. Each Member shall be obligated to join on a *pro rata* basis (based on the consideration to be received by the Member in the Approved Sale) in any indemnification that the Members collectively are required to provide in connection with the Approved Sale; provided that the Members will (1) each use their commercially reasonable efforts to obtain several and not joint liability among them and (2) in the event such efforts fails, enter into a contribution agreement among themselves with respect to joint and several liability among them. In no event shall a Member be obligated in connection with any indemnification obligation relating to an Approved Sale in an amount in excess of the consideration received by such Member in connection with the sale of Common Units in the Approved Sale.

(d) Each Member shall take all reasonable actions in connection with the consummation of an Approved Sale as requested by the Company, the Majority Member or the Managing Member (if the Managing Member is not also the Majority Member), which request shall be made of each Member and which actions may include continuing arrangements with the members of the Company similar to the terms of this Agreement.

(e) The Members will bear their *pro rata* share (based upon the proceeds to be received by the Members) of the costs of any sale of Common Units in an Approved Sale to the extent that such costs are incurred generally for the benefit of all Members, and are not otherwise paid by the Company or the acquiring party. For purposes of this Section 9.4(e), costs incurred in exercising reasonable efforts in furtherance of the consummation of an Approved Sale shall be deemed to be for the benefit of all Members. Costs incurred by Members on their own behalf will not be considered costs of an Approved Sale.

9.5 Additional Restrictions on Transfers and Permitted Transfers.

(a) Notwithstanding anything to the contrary contained herein, the holders of Common Units agree not to Transfer any Common Units except in accordance with the terms of this Agreement, in connection with a Sale Transaction or a Transfer permitted under Section 9.5(b)(ii) or (iii). For the avoidance of doubt: (i) any Transfer of Common Units that constitutes a Transfer permitted under Section 9.5(b) shall not be subject to the terms of Sections 9.2, 9.3, and 9.4; and (ii) any Transfer of Common Units that does not constitute a Transfer described in Section 9.5(b) shall be subject to Sections 9.2, 9.3, and 9.4, but only to the extent the terms thereof are applicable to such Transfer.

(b) Notwithstanding anything herein to the contrary, but subject to Section 9.7, the Members may Transfer Common Units (i) free of the restrictions contained in Sections 9.2 and 9.3 in a registered public offering or to the public pursuant to Rule 144 of the Securities Act ("Rule 144"); (ii) to an entity that is an Affiliate of such Member, including a corporation, trust, limited liability company or partnership (but only so long as the transferring Member remains in control of such Assignee or the Transfer is made by an individual Member to an Affiliate for estate planning purposes and the transferring Member's control of the Affiliate later lapses due to his or her death or disability), provided that any such Affiliate first agrees in writing to be bound by the terms of this Agreement to the same extent as such transferring Member; (iii) upon the death of the Member, if such Member is an individual (or the death of a former Member who has transferred Common Units to an Affiliate described in clause (ii) for estate planning purposes), to the deceased Member's or former Member's family members or a trust for their benefit; or (iv) to another Member.

(c) Notwithstanding anything in this Agreement, without the consent of the Majority Member, no Transfer of Common Units shall be permitted or acknowledged if such Transfer would cause the Company (i) to terminate within the meaning of Section 708(b)(1)(B) of the Code, or (ii) to be classified as a publicly traded partnership within the meaning of Section 7704 of the Code.

(d) Notwithstanding anything to the contrary that may be contained herein, the holders of the Class B Common Units agree not to Transfer any Class B Common Units except in connection with a Sale Transaction or except as otherwise provided in the applicable Class B Unit Award Agreement or in accordance with a Plan.

(e) Notwithstanding any other provision to the contrary that may be contained in this Agreement, except pursuant to a Sale Transaction or with the prior written consent of the Managing Member, under no circumstance shall any Member Transfer to a Competitor any of its Units in the Company or any beneficial interest therein held, beneficially or otherwise, by such Member.

9.6 Termination. The provisions of Sections 9.1, 9.2, 9.3, 9.4 and 9.5 of this Agreement shall terminate and be of no further force and effect upon the closing of a Qualified Public Offering.

9.7 Transfers by Members and Assignees.

(a) In addition to the requirements set forth elsewhere in this Article IX, no Transfer by a Member or Assignee of all or part of its Membership Interest, by operation of law or otherwise, whether or not for value, shall be effective unless:

(i) Such Transfer is made in form reasonably satisfactory to the Managing Member; and

(ii) The assignor, assignee, and (if necessary) other Members have executed all such certificates and other documents and performed all such acts as the Managing Member deems reasonably necessary to effect a valid transfer and to preserve the rights, status and existence of the Company.

(b) If a Member Transfers its entire interest in the Company, such Member shall, upon the effective date of such Transfer, cease to be a Member for all purposes but shall not be relieved of any obligations it may have had before the date of such Transfer under this Agreement unless and until the Assignee of such interest becomes a Member (a "Substitute Member"). The Company shall, after the effective date of any Transfer under this Section 9.7, pay all distributions on account of the interest so assigned to the Assignee.

(c) No Assignee shall have the right to become a Substitute Member unless and until the Managing Member has consented thereto (such consent not to be unreasonably withheld) and (if reasonably deemed necessary by the Managing Member) an amended Certificate has been duly executed and recorded in the appropriate public offices; provided, that Assignees of Units in Transfers permitted under Section 9.5(b) shall automatically be admitted as Substitute Members with respect to the Units in question. An Assignee shall only have the right to an allocation of Net Profits and Net Losses and to receive distributions under this Agreement and shall have no voting or other management rights or equity participation rights, such rights being reserved exclusively for Members.

ARTICLE X

DISSOLUTION AND TERMINATION

10.1 Dissolution of Company. The Company will dissolve and its assets and business will be wound up upon the first to occur of the following events:

(a) Expiration of the term of the Company;

(b) Unless otherwise required by the Act, the vote or prior written approval of the Majority Member;

(c) The sale, exchange, involuntary conversion or other disposition or Transfer of all or substantially all of the assets of the Company;

(d) The occurrence of an event which makes it unlawful for the Company business to be continued under the Act or otherwise;

(e) Any other event which, under the Act, requires the dissolution of the Company and the winding up of its business and affairs; or

(f) The entry of a decree of judicial dissolution under Section 18-802 of the Act.

Dissolution of the Company shall be effective on the date on which the event occurs giving rise to the dissolution. Notwithstanding the dissolution of the Company, the business of the Company and the affairs of the Members as such shall continue to be governed by this Agreement until the completion of the winding up of the Company and the filing of a Certificate of Dissolution.

10.2 Liquidation and Distribution. Following the occurrence of an event described in Section 10.1, the Managing Member shall act as liquidating trustee and wind up the affairs of the Company in the following manner:

(a) The liquidating trustee shall use its best efforts to sell all of the Company's assets in an orderly manner (so as to avoid the loss normally associated with forced sales).

(b) The liquidating trustee shall apply and distribute the proceeds of all such sales, together with other funds which the liquidating trustee was unable to dispose of in accordance with paragraph (a), in the following order of priority: (i) First, to the payment of all debts and liabilities of the Company (including debts and liabilities owed to Members); (ii) Second, to payment of the expenses of liquidation of the Company in the order of priority provided by law; (iii) Third, to the establishment of any reserves reasonably necessary to provide for any contingent Company liabilities and obligations (such reserves to be paid over to a bank or trust company, as escrow agent, to be held by such escrow agent for the purpose of disbursing such reserves in payment of any such contingent liability or obligation and to pay over the balance thereafter remaining for distribution in the manner set forth in clause (iv) hereof); and (ii) Fourth, to the Members in accordance with Section 5.2 (such distribution pursuant to (iv) is referred to as the "Final Distribution"), subject to the following:

(i) Immediately prior to the Final Distribution, the Capital Account balances of the Members shall be adjusted, taking into account all Capital Contributions, distributions (other than the Final Distribution), and items of Net Profit and Net Loss (including any allocable items of gross income, gain, loss, and expense includible in the computation of Net Profit and Net Loss) for the taxable year of the Company in which such liquidation occurs and in which the Final Distribution is distributable, such that the Capital Account of each Member immediately prior to the Final Distribution equals (to the fullest extent possible) the distribution to be received by such Member pursuant to the Final Distribution.

(ii) Notwithstanding anything to the contrary in this Agreement, if after the Capital Account adjustments described in Section 10.2(b)(i), the Capital Accounts of the Members are not equal to their respective shares of the Final Distribution, the Company shall treat for tax purposes an amount equal to the difference, if positive, between the respective shares of the Final Distribution and Members individual Capital Accounts as a guaranteed payment (as determined under Section 707(c) of the Code); any expense associated with such guaranteed payment shall be specially allocated to the Members the Capital Accounts of which exceed their respective shares of the Final Distribution in proportion to their respective shares of such excess.

10.3 Termination. Each of the Members will be furnished with a statement prepared by the Accountants, which will set forth the assets and liabilities of the Company as of the date of the Final Distribution of Company Assets under Section 10.2 and the Net Profit or Net Loss and other items allocable under Article IV of this Agreement for the period ending on such date. Upon compliance with the distribution plan set forth in Section 10.2, the Members will cease to be such, and the liquidating trustee will cause the cancellation of the Certificate in the State of Delaware, whereupon the Company will terminate.

10.4 Conversion to Corporate Form. In the event that the Majority Member shall determine that it is desirable or helpful for the business of the Company to be conducted in a corporate rather than in a limited liability company form, the Majority Member shall have the power to incorporate the Company as a corporation taxable under Subchapter C (or, if legally permissible, S) of the Code (the "Corporation"), through a merger, reorganization, or other transaction (an "Incorporation") or take such other action as it may deem advisable in light of such changed conditions, including, without limitation, dissolving the Company, creating one or more subsidiaries of the newly formed corporation and transferring to such subsidiaries any or all of the assets of the Company. In such event, each Member shall, and shall (to the extent it has the power to) cause its Affiliates and equity holders to, take such actions as may be reasonably requested by the Majority Member to effect such Incorporation, including, without limitation, to contribute to the Corporation the Units or approve any merger between the Company and the Corporation. Any money or Property received by the Company as part of such Incorporation and/or in an initial public offering of the Company's securities shall be distributed in accordance with Section 5.2 for all purposes of this Agreement. At the time of the Incorporation, the Members shall enter into a stockholders agreement providing for (a) all of the rights, obligations, and restrictions applicable to holders of Units under this Agreement, including, without limitation, the rights and obligations under Article IX and Article X hereof; provided that the restrictions on transfer set forth in Sections 9.2, 9.3 and 9.5 hereof shall not apply to sales in broadly disseminated public offerings or sales in accordance with Rule 144 under the Securities Act, and (b) such other rights, duties and obligations as shall be comparable to the those set forth herein. Prior to the Incorporation, the Majority Member shall submit to the Members the proposed forms of a certificate or articles of incorporation, by-laws, stockholders' agreement (which shall be in such form and substance as set forth in the immediately preceding sentence) and any other governing documents proposed to be established for such corporation and its subsidiaries, if any.

ARTICLE XI

PROPRIETARY INFORMATION

11.1 Proprietary Information. Each Member recognizes and acknowledges that the Proprietary Information (as hereinafter defined) is a valuable, special and unique asset of the Company and its Affiliates. As a result, both during the existence of the Company and thereafter, no Member shall, without the prior written consent of the Company, for any reason either directly or indirectly divulge to any third-party or use for its own benefit, or for any purpose other than the exclusive benefit of the Company, any confidential and proprietary business and technical information or trade secrets of the Company or its Affiliates ("Proprietary Information") revealed, obtained or developed by such Member; provided, however, that Proprietary Information may be disclosed (a) to each Member's directors, partners, members, shareholders, officers, employees, advisors, auditors, regulators, financing sources, potential acquirers or representatives or those of its Affiliates (provided that (i) such directors, partners, members, shareholders, officers, employees, advisors, auditors, regulators, financing sources, potential acquirers or representatives are informed by such Member of the confidential nature of such information and shall be directed by the Member to keep such information confidential in accordance with the contents of this Agreement; and (ii) such Member will be liable for any breaches of this Section 11.1 by any of its directors, partners, members, officers, employees, advisors, auditors, regulators, financing sources, potential acquirers or representatives or those of its Affiliates); or (b) in any legal proceeding brought by a Member in pursuit of such Member's rights or in the exercise of such Member's remedies hereunder. The confidentiality obligations of this Section 11.1 do not apply to, and the term "Proprietary Information" shall not include, any information, knowledge or data (x) which is publicly available or becomes publicly available through no act or omission of the Members or any of their directors, partners, members, shareholders, officers, employees, advisors, auditors, regulators, financing sources or representatives, or (y) to the extent that it is required to be disclosed by any applicable law, regulation or administrative or legal process or by the rules of any stock exchange, regulatory body or governmental entity.

11.2 Ownership. All right, title and interest in and to Proprietary Information shall be and remain the sole and exclusive property of the Company and/or its Affiliates, as applicable. No Member shall remove from the Company's or any of its Affiliates' offices or premises any documents, records, notebooks, files, correspondence, reports, memoranda or similar materials of or containing Proprietary Information, or other materials or property of any kind belonging to the Company or its Affiliates, as applicable, unless necessary or appropriate in accordance with the duties and responsibilities of such Member and, in the event that such materials or property are removed, all of the foregoing shall be returned to their proper files or places of safekeeping as promptly as possible after it shall have served its specific purpose. No Member shall make, retain, remove and/or distribute any copies of any of the foregoing for any reason whatsoever except as may be necessary in the discharge of its duties and shall not divulge to any third person the nature of and/or contents of any of the foregoing or of any other oral or written information to which such Member may have access or with which for any reason such Member may become familiar, except as disclosure shall be necessary in the performance of its duties hereunder.

11.3 Injunctive Relief. Each Member acknowledges that disclosure, distribution or use of the Proprietary Information of the Company and/or its Affiliates, as applicable, contrary to the terms of this Agreement may cause irreparable harm to the Company and its Affiliates for which damages at law may not be an adequate remedy, and each Member agrees that the Company and its Affiliates have the right to seek injunctive relief by a court of competent jurisdiction. Notwithstanding, but not in limitation of the foregoing, each Member shall be responsible to the Company and its Affiliates for any damages arising from the breach of any of such Member's covenants and obligations to be observed or performed under this Agreement by such Member or any of its directors, partners, members, shareholders, officers, employees, advisors, auditors, regulators, financing sources, potential acquirers or representatives or those of its Affiliates.

11.4 Termination. Notwithstanding any other provision of this Agreement, the provisions of this Article XII shall survive the termination this Agreement for one year.

ARTICLE XII

MISCELLANEOUS

12.1 Further Assurances. Each Member hereby agrees that, promptly upon the reasonable request of any other Member, it will do, execute, acknowledge, deliver, record, file, and register any and all such further acts, agreements, notices, certificates, assurances, and other instruments as any other Member may reasonably require from time to time in order to carry out more effectively the purposes of this Agreement.

12.2 Amendments.

(a) Except as otherwise provided in this Agreement (including in Sections 3.1(e), 3.1(i) Section 4.6(e)), any term of this Agreement may be amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) only with the affirmative vote or written consent of the Class A Members holding a majority of the Class A Common Units then outstanding. Any amendment or waiver effected in accordance with this Section 12.2 shall be binding upon each Member of the Company, whether or not such Member has consented to such amendment or waiver.

(b) Notwithstanding the foregoing, (i) the Managing Member shall have the right to amend Exhibit A as and when needed to accurately reflect the information to be set forth on such Exhibit A, and (ii) no provision of this Agreement may be amended, waived or modified by the vote or consent of the Class A Members unless such amendment, waiver or modification affects all of the Members of the Class of Units equally.

(c) In making any amendment, there shall be prepared and filed for recordation by the Member such documents and certificates as shall be required to be prepared and filed under the Act and under the laws of the other jurisdictions under the laws of which the Company is then formed or otherwise required to make such filing.

12.3 Units Governed by Article 8 of UCC. The Parties intend that all of the Units shall be deemed to be and hereby are, for all purposes, securities governed by Article 8 of the Delaware Uniform Commercial Code.

12.4 Notices and Addresses. All notices required to be given under this Agreement shall be in writing and may be delivered by certified or registered mail, postage prepaid, by hand, by facsimile, or by any nationally recognized private courier. Such notices shall be mailed or delivered to the Members at the addresses set forth after the signature of such Members or such other address as a Member may notify the other Members of in writing. Any notices to be sent to the Company shall be delivered to the principal place of business of the Company or at such other address as the Member may specify in a notice sent to all of the Members. Notices shall be effective (a) if mailed, on the date three days after the date of mailing, (b) if hand delivered or delivered by private courier, on the date of delivery, or (c) if transmitted by facsimile, on the date of transmission.

12.5 Third Party Beneficiaries. The provisions of this Agreement are not intended to be for the benefit of any creditor (other than a Member who is a creditor) or other Person (other than a Member or an officer of the Company in his or her capacity as such) to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) the Company or any of the Members, and no such creditor or other Person shall obtain any rights under this Agreement or shall, by reason of this Agreement, make any claim in respect of any debt, liability or obligation (or otherwise) against the Company or any Member. Notwithstanding the foregoing, each Indemnified Person that is not a party to this Agreement shall be deemed to be an express third party beneficiary of this Agreement for all purposes relating to such Person's indemnification and exculpation rights hereunder.

12.6 Governing Law. The validity and effectiveness of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without giving effect to the provisions, policies or principles of any state law relating to choice or conflict of laws.

12.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Members, Assignees, and their respective legal representatives and successors.

12.8 Counterparts. This Agreement may be executed in multiple counterparts, including by facsimile signature, each of which may bear the signatures of less than all the parties, but all of which together shall constitute one instrument.

12.9 Entire Agreement; Severability. This Agreement, together with the Exhibits hereto, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and no party hereto shall be bound by any communications between them on the subject matter of this Agreement unless in writing and bearing a date contemporaneous with or subsequent to the date of this Agreement. The parties agree that if any term or provision of this Agreement contravenes or is invalid under any federal, state or local law, court decision, rule, ordinance or regulation, this Agreement shall, as to the jurisdiction under which such legal authority is promulgated or rendered, be construed as if it did not contain the offending term or provision, and the remaining provisions of this Agreement shall not be affected thereby; provided, however, that if the removal of such offending term or provision materially alters the burdens or benefits of any of the parties under this Agreement, the parties agree to negotiate in good faith such modifications to this Agreement as are appropriate to insure the burdens and benefits of each party under such modified Agreement are reasonably comparable to the burdens and benefits originally contemplated and expected.

12.10 Captions. The captions are inserted for convenience of reference only and shall not affect the construction of this Agreement.

12.11 Statutory References. Each reference in this Agreement to a particular statute or regulation, or a provision thereof, shall be deemed to refer to such statute or regulation, or provision thereof, or to any similar or superseding statute or regulation, or provision thereof, as is from time to time in effect.

12.12 Partition Action. Each party hereto irrevocably waives any right which it may have to maintain an action for partition with respect to property of the Company.

12.13 Waiver. The waiver by any party hereto of the breach of any term, covenant, agreement or condition herein contained shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein, nor shall any custom, practice or course of dealings arising among the parties hereto in the administration hereof be construed as a waiver or diminution of the right of any party hereto to insist upon the strict performance by any other party hereto of the terms, covenants, agreements and conditions herein contained.

12.14 Securities Law Provisions. The Membership Interests have not been registered under the Federal or state securities laws of any state and, therefore, may not be resold unless appropriate Federal and state securities laws, as well as the provisions of this Agreement, have been complied with.

12.15 Consents and Approval. Whenever under this Agreement the consent or approval of any Member is required or permitted, such consent must be evidenced by a written consent signed by such Member.

12.16 Remedies Not Exclusive. Unless otherwise provided in this Agreement, any remedy contained in this Agreement for breaches of obligations hereunder shall not be deemed to be exclusive and shall not impair the right of any party to exercise any other right or remedy, whether for damages, injunction or otherwise.

12.17 No Presumption against Drafter. The parties hereto have jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all of the parties hereto and no presumptions or burdens of proof shall arise favoring any party by virtue of the authorship of any of the provisions of this Agreement.

12.18 No Partnership Intended. The Members intend that the Company shall be classified and treated as a partnership for federal, state and local income tax purposes only and that no provision of this Agreement shall be deemed or construed to constitute the Company a partnership (including, without limitation, a limited partnership) or joint venture, or to constitute any Member a partner or joint venturer of or with any other Member for purposes of Section 303 of the federal Bankruptcy Code or any other purpose. No Member shall take any action inconsistent with the intent of the parties set forth in this Section.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the undersigned have executed this Limited Liability Company Agreement as of the date first above written.

THE COMPANY:

RUMPUS VEDS LLC

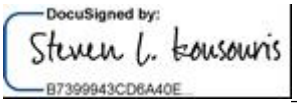
By: Name: Christopher Brooke
Title: President

MEMBERS:

RUMPUS VASCULAR, LLC

By: Name: Christopher Brooke
Title: President

JOHNS HOPKINS UNIVERSITY

By: 

Name: Steven L. Kousouris
Title: Executive Director - JHTV

[Signature Page to LLC Operating Agreement of Rumpus VEDS LLC]

Exhibit A
Capital Accounts, Capital Contributions and Units

Member	Class A Common Units	Class B Common Units
Rumpus Vascular, LLC	4,750	-
Johns Hopkins University Hopkins University	-	250

Exhibit 31.1

AYTU BIOPHARMA, INC.
Certification by Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Joshua R. Disbrow, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended March 31, 2021 of Aytu BioPharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a—15(e) and 15d—15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a—15(f) and 15d—15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2021

By: /s/ Joshua R. Disbrow

Joshua R. Disbrow
Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

AYTU BIOPHARMA, INC.
Certification by Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Richard Eisenstadt, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended March 31, 2021 of Aytu BioPharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a—15(e) and 15d—15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a—15(f) and 15d—15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2021

By: /s/ Richard Eisenstadt

Richard Eisenstadt
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Ex. 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S. C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the quarterly report on Form 10-Q for the quarter ended March 31, 2021 (the "Report") by Aytu BioPharma, Inc. (the "Company"), each of the undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 17, 2021

By: /s/ Joshua R. Disbrow
Joshua R. Disbrow
Chief Executive Officer (Principal Executive Officer)

Date: May 17, 2021

By: /s/ Richard Eisenstadt
Richard Eisenstadt
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Document And Entity Information - shares	9 Months Ended Mar. 31, 2021	May 10, 2021
Document Information [Line Items]		
Entity Registrant Name	AYTU BIOPHARMA, INC	
Entity Central Index Key	0001385818	
Trading Symbol	aytu	
Current Fiscal Year End Date	--06-30	
Entity Filer Category	Non-accelerated Filer	
Entity Current Reporting Status	Yes	
Entity Emerging Growth Company	false	
Entity Small Business	true	
Entity Interactive Data Current	Yes	
Entity Common Stock, Shares Outstanding (in shares)		25,170,596
Entity Shell Company	false	
Document Type	10-Q	
Document Period End Date	Mar. 31, 2021	
Document Fiscal Year Focus	2021	
Document Fiscal Period Focus	Q3	
Amendment Flag	false	
Title of 12(b) Security	Common Stock, par value $0.0001 per share	

Condensed Consolidated Balance Sheets (Current Period Unaudited) - USD ($)	Mar. 31, 2021	Jun. 30, 2020
Current assets		
Cash and cash equivalents	$ 46,537,958	$ 48,081,715
Restricted cash	251,995	251,592
Accounts receivable, net	28,228,434	5,632,717
Inventory	16,575,757	9,999,441
Prepaid expenses	6,803,583	5,715,089
Other current assets	1,615,024	5,742,011
Total current assets	100,012,751	75,422,565
Fixed assets, net	5,557,727	258,516
Operating lease right-of-use asset	3,781,737	634,093
Intangible assets, net	96,236,796	48,854,561
Goodwill	65,802,636	28,090,407
Other long-term assets	164,954	32,981
Total long-term assets	171,543,850	77,870,558
Total assets	271,556,601	153,293,123
Current liabilities		
Accounts payable and other	16,528,646	11,824,560
Accrued liabilities	43,181,920	8,645,984
Accrued compensation	10,510,228	3,117,177
Notes payable		982,076
Short-term line of credit	4,738,825	
Current portion of debt	725,357	
Current portion of operating lease liabilities	910,885	300,426
Current portion of fixed payment arrangements	1,998,012	2,340,166
Current portion of CVR liabilities	911,826	839,734
Current portion of contingent consideration	4,177,282	713,251
Total current liabilities	83,682,981	28,763,374
Long-term debt, net of current portion	16,930,682	
Long-term operating lease liability, net of current portion	2,871,845	725,374
Long-term fixed payment arrangements, net of current portion	9,422,768	11,171,491
Long-term CVR liabilities, net of current portion	4,679,227	4,731,866
Long-term contingent consideration, net of current portion	10,726,691	12,874,351
Other long-term liabilities	92,894	11,371
Total liabilities	128,407,088	58,277,827
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred Stock, par value $.0001; 50,000,000 shares authorized; shares issued and outstanding 0 and 0, respectively as of March 31, 2021 and June 30, 2020, respectively.		

Common Stock, par value $.0001; 200,000,000 shares authorized; shares issued and outstanding 23,457,887 and 12,583,736, respectively as of March 31, 2021 and June 30, 2020.	2,346	1,259
Additional paid-in capital	302,448,362	215,024,216
Accumulated deficit	(159,301,195)	(120,010,179)
Total stockholders' equity	143,149,513	95,015,296
Total liabilities and stockholders' equity	$ 271,556,601	$ 153,293,123

Condensed Consolidated Balance Sheets (Current Period Unaudited) (Parentheticals) - $ / shares	Mar. 31, 2021	Jun. 30, 2020
Preferred stock, par value (in dollars per share)	$ 0.0001	$ 0.0001
Preferred stock, shares authorized (in shares)	50,000,000	50,000,000
Preferred stock, shares issued (in shares)	0	0
Preferred stock, shares outstanding (in shares)	0	0
Common stock, par value (in dollars per share)	$ 0.0001	$ 0.0001
Common stock, shares authorized (in shares)	200,000,000	200,000,000
Common stock, shares issued (in shares)	23,457,887	12,583,736
Common stock, shares outstanding (in shares)	23,457,887	12,583,736

Condensed Consolidated Statements of Operations (Unaudited) - USD ($)	3 Months Ended		9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Revenues				
Product revenue, net	$ 13,482,282	$ 8,156,173	$ 42,149,561	$ 12,771,235
Operating expenses				
Cost of sales	13,682,297	1,998,659	23,499,842	2,980,425
Research and development	389,262	78,502	858,698	223,197
Selling, general and administrative	12,851,087	9,190,386	35,825,175	19,494,368
Acquisition related costs	1,536,800	311,083	2,849,037	1,533,723
Restructuring costs	4,818,064		4,874,723	135,981
Amortization and impairment of intangible assets	5,870,436	1,370,986	9,039,597	2,899,553
Total operating expenses	39,147,946	12,949,616	76,947,072	27,267,247
Loss from operations	(25,665,664)	(4,793,443)	(34,797,511)	(14,496,012)
Other (expense) income				
Other (expense), net	(425,425)	(538,862)	(1,555,924)	(1,181,206)
Gain / (Loss) from change in fair value of contingent consideration	631,298		(2,680,022)	
Gain from derecognition of contingent consideration				5,199,806
Gain from warrant derivative liability				1,830
Loss on debt exchange			(257,559)	
Total other (expense) income	205,873	(538,862)	(4,493,505)	4,020,430
Net loss	$ (25,459,791)	$ (5,332,305)	$ (39,291,016)	$ (10,475,582)
Weighted average number of common shares outstanding (in shares)	18,092,465	3,527,530	14,490,219	2,261,697
Basic and diluted net loss per common share (in dollars per share)	$ (1.41)	$ (1.51)	$ (2.71)	$ (4.63)

Condensed Consolidated Statement of Stockholders' Equity (Unaudited) - USD ($)	Series F Preferred Stock [Member] Preferred Stock [Member]	Series F Preferred Stock [Member] Common Stock [Member]	Series F Preferred Stock [Member] Additional Paid-in Capital [Member]	Series F Preferred Stock [Member] Retained Earnings [Member]	Series F Preferred Stock [Member]	Warrants Issued in Connection with Registered Offering [Member] Preferred Stock [Member]	Warrants Issued in Connection with Registered Offering [Member] Common Stock [Member]	Warrants Issued in Connection with Registered Offering [Member] Additional Paid-in Capital [Member]	Warrants Issued in Connection with Registered Offering [Member] Retained Earnings [Member]	Warrants Issued in Connection with Registered Offering [Member]	Warrants Issued to Placement Agents in Connection with Registered Offering [Member] Preferred Stock [Member]	Warrants Issued to Placement Agents in Connection with Registered Offering [Member] Common Stock [Member]	Warrants Issued to Placement Agents in Connection with Registered Offering [Member] Additional Paid-in Capital [Member]	Warrants Issued to Placement Agents in Connection with Registered Offering [Member] Retained Earnings [Member]	Warrants Issued to Placement Agents in Connection with Registered Offering [Member]	Preferred Stock [Member]	Common Stock [Member]	Additional Paid-in Capital [Member]	Retained Earnings [Member]	Total
BALANCE (in shares) at Jun. 30, 2019																3,594,981	1,753,808			
BALANCE at Jun. 30, 2019																$ 359	$ 176	$ 113,476,783	$ (106,389,500)	$ 7,087,818
Stock-based compensation																		165,171		165,171
Preferred stock converted in common stock (in shares)																(443,833)	44,384			
Securities converted for common stock																$ (44)	$ 5	39		
Net loss																			(4,929,030)	(4,929,030)
BALANCE (in shares) at Sep. 30, 2019																3,151,148	1,798,192			
BALANCE at Sep. 30, 2019																$ 315	$ 181	113,641,993	(111,318,530)	2,323,959
BALANCE (in shares) at Jun. 30, 2019																3,594,981	1,753,808			
BALANCE at Jun. 30, 2019																$ 359	$ 176	113,476,783	(106,389,500)	7,087,818
Net loss																				(10,475,582)
BALANCE (in shares) at Mar. 31, 2020																9,805,845	10,061,044			
BALANCE at Mar. 31, 2020																$ 981	$ 1,011	202,566,906	(116,865,082)	85,703,816
BALANCE (in shares) at Sep. 30, 2019																3,151,148	1,798,192			
BALANCE at Sep. 30, 2019																$ 315	$ 181	113,641,993	(111,318,530)	2,323,959
Stock-based compensation																		162,264		162,264
Preferred stock converted in common stock (in shares)																(2,751,148)	275,115			
Securities converted for common stock																$ (275)	$ 28	247		
Net loss																			(214,247)	(214,247)
Issuance of stock (in shares)	10,000																			
Issuance of stock	$ 1		$ 5,249,483		$ 5,249,484															
Warrants issued																		4,008,866		4,008,866
Issuance of preferred stock due to acquisition (in shares)																9,805,845				
Issuance of preferred stock due to acquisition																$ 981		5,558,933		5,559,914
BALANCE (in shares) at Dec. 31, 2019																10,215,845	2,073,307			
BALANCE at Dec. 31, 2019																$ 1,022	$ 209	128,621,786	(111,532,777)	17,090,240
Issuance costs					$ (741,650)															
Preferred stock converted in common stock (in shares)																(2,407,902)	1,239,791			
Securities converted for common stock																$ (241)	$ 124	92,997		92,880
Net loss																			(5,332,305)	(5,332,305)
Issuance of stock (in shares)																	3,636,528			
Issuance of stock																	$ 364	33,278,392		33,278,756
Warrants issued								$ 9,723,161		$ 9,723,161			$ 1,458,973		$ 1,458,973					
Issuance of preferred stock due to acquisition (in shares)																1,997,902	380,972			
Issuance of preferred stock due to acquisition																$ 200	$ 39	4,405,945		4,406,184
Stock-based compensation (in shares)																	106,792			
Stock-based compensation																	$ 11	263,380		263,391
Cashless warrant exercise (in shares)																	791,577			
Cashless warrant exercise																	$ 80	(80)		
Warrant exercises (in shares)																	1,708,300			
Warrant exercises																	$ 171	22,989,495		22,989,666
CVR payouts (in shares)																	123,777			
CVR payouts																	$ 13	1,732,857		1,732,870
BALANCE (in shares) at Mar. 31, 2020																9,805,845	10,061,044			
BALANCE at Mar. 31, 2020																$ 981	$ 1,011	202,566,906	(116,865,082)	85,703,816
Issuance costs																				(4,523,884)
BALANCE (in shares) at Jun. 30, 2020																	12,583,736			
BALANCE at Jun. 30, 2020																	$ 1,259	215,024,216	(120,010,179)	95,015,296
Stock-based compensation																		454,918		454,918
Net loss																			(4,305,931)	(4,305,931)
BALANCE (in shares) at Sep. 30, 2020																	12,583,736			
BALANCE at Sep. 30, 2020																	$ 1,259	215,377,597	(124,316,110)	91,062,746
Issuance costs																		(101,537)		(101,537)
BALANCE (in shares) at Jun. 30, 2020																	12,583,736			
BALANCE at Jun. 30, 2020																	$ 1,259	215,024,216	(120,010,179)	95,015,296
Net loss																				(39,291,016)
BALANCE (in shares) at Mar. 31, 2021																	23,457,887			
BALANCE at Mar. 31, 2021																	$ 2,346	302,448,362	(159,301,195)	143,149,513
BALANCE (in shares) at Sep. 30, 2020																	12,583,736			
BALANCE at Sep. 30, 2020																	$ 1,259	215,377,597	(124,316,110)	91,062,746
Stock-based compensation																		508,059		508,059
Preferred stock converted in common stock (in shares)																	130,081			
Securities converted for common stock																	$ 13	1,057,546		1,057,559
Net loss																			(9,525,294)	(9,525,294)
Issuance of stock (in shares)																	5,169,076			
Issuance of stock																	$ 516	28,316,928		28,317,444
Warrants issued																		1,272,154		1,272,154
BALANCE (in shares) at Dec. 31, 2020																	17,882,893			
BALANCE at Dec. 31, 2020																	$ 1,788	246,532,284	(133,841,404)	112,692,668

Stock-based compensation			1,381,429	1,381,429
Net loss			(25,459,791)	(25,459,791)
Issuance of preferred stock due to acquisition (in shares)	5,471,804			
Issuance of preferred stock due to acquisition	$ 548	53,102,370		53,102,918
CVR payouts (in shares)	103,190			
CVR payouts	$ 10	999,990		1,000,000
BALANCE (in shares) at Mar. 31, 2021	23,457,887			
BALANCE at Mar. 31, 2021	$ 2,346	302,448,362	(159,301,195)	143,149,513
Issuance costs				(137,735)
Estimated fair value of replacement equity awards		$ 432,289		$ 432,289

Condensed Consolidated Statement of Stockholders' Equity (Unaudited) (Parentheticals) - USD ($)	3 Months Ended			
	Mar. 31, 2021	Sep. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Series F Preferred Stock [Member]				
Issuance costs				$ 741,650
Issuance costs	$ 137,735	$ 101,537	$ 4,523,884	

Condensed Consolidated Statements of Cash Flows (Unaudited) - USD ($)	9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Operating Activities		
Net loss	$ (39,291,016)	$ (10,475,582)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation, amortization and accretion	10,301,150	3,780,310
Stock-based compensation expense	2,485,330	590,826
Loss from change in fair value of contingent consideration	2,680,022	
Inventory write-down	7,227,230	0
(Gain) from derecognition of contingent consideration		(5,199,806)
(Gain) on the change in fair value of CVR payout		(267,130)
Amortization of senior debt issuance costs and discounts	(21,916)	
Loss on sale of equipment	112,110	
(Gain) on termination of lease	(343,185)	
Loss on debt exchange	257,559	
Changes in allowance for bad debt	335,036	
Derivative income		(1,830)
Changes in operating assets and liabilities:		
Accounts receivable	1,772,274	(8,183,810)
Inventory	(4,390,470)	(345,452)
Prepaid expenses	1,607,170	(1,611,681)
Other current assets	6,065,996	(358,022)
Accounts payable and other	(6,155,583)	(4,912,245)
Accrued liabilities	(5,556,614)	6,761,319
Accrued compensation	3,263,723	271,560
Fixed payment arrangements		(657,655)
Operating lease liabilities	(26,648)	
Net cash used in operating activities	(19,677,832)	(20,609,198)
Investing Activities		
Deposit	(3,923)	
Contingent consideration payment	(683,241)	(151,648)
Cash received from acquisition	15,721,797	390,916
Cash payment for business acquisition	(15,398,727)	(5,850,000)
Net cash used in investing activities	(364,094)	(5,610,732)
Financing Activities		
Issuance of preferred, common stock and warrants	32,249,652	58,999,666
Issuance cost related to registered offering	(4,430,516)	(5,280,426)
Payments made on short-term line of credit	(5,968,290)	
Warrant exercises		22,989,666
Preferred stock converted in common stock		92,880
Issuance of note payable		640,000

Debt payment	(318,181)	
Payments made to fixed payment arrangements	(3,034,093)	
Net cash provided by financing activities	18,498,572	77,441,786
Net change in cash, restricted cash and cash equivalents	(1,543,354)	51,221,856
Cash, restricted cash and cash equivalents at beginning of period	48,333,307	11,294,227
Cash, restricted cash and cash equivalents at end of period	46,789,953	62,516,083
Supplemental disclosures of cash and non-cash investing and financing transactions		
Warrants issued to underwriters	1,628,293	
Cash paid for interest	448,603	392,641
Fair value of right-to-use asset and related lease liability	66,182	354,929
Fair value of non-cash assets acquired	104,321,912	
Fair value of liabilities assumed	88,699,892	
Estimated fair value of replacement equity awards	432,289	
Inventory payment included in accounts payable		460,416
Return deductions received by Cerecor		2,000,000
Contingent value rights payout	1,000,000	
Contingent consideration included in accounts payable		27,571
Issuance of restricted stock		107
Cashless warrant exercises		792
Debt exchange	1,057,559	
Fixed payment arrangements included in accrued liabilities	1,575,000	501,766
Exchange of convertible preferred stock into common stock		92,880
Conversion of Convertible Preferred Stock into Common Stock [Member]		
Financing Activities		
Preferred stock converted in common stock		1,559
Supplemental disclosures of cash and non-cash investing and financing transactions		
Exchange of convertible preferred stock into common stock		1,559
Neos Therapeutics, Inc. [Member]		
Supplemental disclosures of cash and non-cash investing and financing transactions		
Issuance of stock	53,240,653	
Series G Preferred Stock [Member] | Cerecor Portfolio of Pediatrics Therapeutics [Member]		
Supplemental disclosures of cash and non-cash investing and financing transactions		
Issuance of stock		5,559,914
Series H Preferred Stock [Member] | Innovus [Member]		
Supplemental disclosures of cash and non-cash investing and financing transactions		
Issuance of stock		$ 12,805,263

Note 1 - Nature of Business, Financial Condition, Basis of Presentation

Notes to Financial Statements

Business Description and Basis of Presentation [Text Block]

9 Months Ended

Mar. 31, 2021

1. Nature of Business, Financial Condition, Basis of Presentation

Nature of Business. Aytu BioPharma, Inc. ("Aytu", the "Company" or "we") is a commercial-stage specialty pharmaceutical company focused on commercializing novel therapeutics and consumer healthcare products. The Company currently operates the Aytu BioPharma business, consisting of the prescription pharmaceutical products (the "Rx Portfolio"), and Aytu consumer healthcare products business (the "Consumer Health Portfolio"). The Rx Portfolio is focused on commercializing prescription pharmaceutical products for the treatment of attention deficit hyperactivity disorder ("ADHD"), allergies, insomnia, and various pediatric conditions. The Aytu consumer health business is focused on commercializing consumer healthcare products. The Company was incorporated as Rosewind Corporation on August 9, 2002 in the State of Colorado and was re-incorporated in the state of Delaware on June 8, 2015.

The Rx Portfolio consists of (i) Adzenys XR-ODT (amphetamine) extended-release orally disintegrating tablets, Cotempla XR-ODT (methylphenidate) extended-release orally disintegrating tablets and Adzenys-ER (amphetamine) extended-release oral suspension for the treatment of attention deficit hyperactivity disorder (ii) Poly-Vi-Flor and Tri-Vi-Flor, two complementary prescription fluoride-based supplement product lines containing combinations of fluoride and vitamins in various formulations for infants and children with fluoride deficiency, (iii) Karbinal ER, an extended-release carbinoxamine (antihistamine) suspension indicated to treat numerous allergic conditions, (iv) ZolpiMist, the only FDA-approved oral spray prescription sleep aid, (v) Tuzistra XR, the only FDA-approved 12-hour codeine-based antitussive syrup and (vi) a generic Tussionex (hydrocodone and chlorpheniramine) ("generic Tussionex"), extended-release oral suspension for the treatment of cough and upper respiratory symptoms of a cold.

The Consumer Health Portfolio consists of over twenty consumer health products competing in large healthcare categories including diabetes, men's health, sexual wellness and respiratory health commercialized through direct-to-consumer marketing channels utilizing the Company's proprietary Beyond Human marketing and sales platform and on e-commerce platforms.

On March 31, 2021, the Company and Acerus Pharmaceuticals Corporation ("Acerus") entered into a termination and transition agreement (the "Termination Agreement") to terminate the License and Supply Agreement previously entered into on July 29, 2019 related to Natesto®. Pursuant to the Termination Agreement, the Company ceased all sales, marketing and promotion of Natesto, and Acerus agreed to pay the Company an aggregate amount of $7.5 million, payable in equal monthly installment payments of $250,000 for a period of 30 consecutive months.

On March 19, 2021, the Company acquired Neos Therapeutics, Inc. ("Neos"), a commercial-stage pharmaceutical company developing and manufacturing central nervous system-focused products (the "Neos Merger"). Neos commercializes Adzenys XR-ODT, Cotempla XR-ODT and Adzenys-ER in the United States using Neos' internal commercial organization. These commercial products are extended-release ("XR") medications in patient-friendly, orally disintegrating tablet ("ODT") or oral suspension dosage forms that utilize Neos' microparticle modified-release drug delivery technology platform. Neos received approval from the U.S. Food and Drug Administration ("FDA") for these three products. In addition, Neos manufactures and sells a generic Tussionex.

In April of 2020, the Company entered into a licensing agreement with Cedars-Sinai Medical Center to secure worldwide rights to various potential esophageal and nasopharyngeal

uses of Healight, an investigational medical device platform technology. Healight has demonstrated safety and efficacy in a proof-of-concept clinical study in SARS-CoV-2 patients, and the Company plans to advance this technology to further assess its safety and efficacy in additional randomized, controlled human studies, initially focused on SARS-CoV-2 patients.

The Company's strategy is to continue building its portfolio of revenue-generating products, leveraging its commercial team's expertise to build leading brands within large therapeutic markets.

Financial Condition. As of March 31, 2021, the Company had approximately $46.8 million of cash, cash equivalents and restricted cash. The Company's operations have historically consumed cash and are expected to continue to consume cash.

Revenues for the three- and nine-months ended March 31, 2021 were $13.5 million and $42.1 million, compared to $8.2 million and $12.8 million for the same periods ended March 31, 2020, an increase of approximately 65% and 230%, respectively. Revenue is expected to increase over time, which will allow the Company to rely less on the Company's existing cash balance and proceeds from financing transactions. Cash used by operations during the nine-months ended March 31, 2021 was $19.7 million compared to $20.6 million for the nine-months ended March 31, 2020. The decrease is due primarily to a decrease in working capital and pay down of other liabilities.

As of the date of this Report, the Company expects its costs for operations to increase as the Company integrates the Neos acquisition, invests in new product development, continues to focus on revenue growth through increasing product sales and additional acquisitions. The Company's current assets totaling approximately $100.0 million as of March 31, 2021 plus the proceeds expected from ongoing product sales will be used to fund existing operations. The Company may continue to access the capital markets from time-to-time when market conditions are favorable. The timing and amount of capital that may be raised is dependent on the terms and conditions upon which investors would require to provide such capital. There is no guarantee that capital will be available on terms favorable to the Company and its stockholders, or at all. Upon closing of the Neos merger, on March 19, 2021, the Company paid down $15.4 million of Neos' senior secured long-term debt, including accrued interest and $5.5 million of merger costs incurred by Neos. The Company did not issue any common stock under the Company's at-the-market offering program during the three months ended March 31, 2021. As of the date of this report, the Company has adequate capital resources to complete its near-term operating objectives.

Since the Company has sufficient cash on-hand as of March 31, 2021 to cover potential net cash outflows for the twelve months following the filing date of this Quarterly Report, the Company reports that there exists no indication of substantial doubt about its ability to continue as a going concern.

If the Company is unable to raise adequate capital in the future when it is required, the Company's management can adjust its operating plans to reduce the magnitude of the Company's capital need under its existing operating plan. Some of the adjustments that could be made include delays of and reductions to commercial programs, reductions in headcount, narrowing the scope of the Company's commercial plans, or reductions or delays to its research and development programs. Without sufficient operating capital, the Company could be required to relinquish rights to products or renegotiate to maintain such rights on less favorable terms than it would otherwise choose. This may lead to impairment or other charges, which could materially affect the Company's balance sheet and operating results.

Basis of Presentation. The unaudited condensed consolidated financial statements contained in this report represent the financial statements of the Company and its wholly-owned subsidiaries, Innovus Pharmaceuticals, Inc., Aytu Therapeutics, LLC and Neos Therapeutics, Inc. The unaudited consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2020, which included all disclosures required by generally accepted accounting principles in the United States (“GAAP”).

In the opinion of management, these unaudited consolidated financial statements contain all adjustments necessary to present fairly the financial position of the Company and the results of operations and cash flows for the interim periods presented. The results of operations for the period ended March 31, 2021 are not necessarily indicative of expected operating results for the full year. The information presented throughout this report, as of March 31, 2021 and for the three and nine months ended March 31, 2021, and 2020, is unaudited.

On December 8, 2020, the Company effected a reverse stock split in which each common stockholder received one share of common stock for every 10 shares held (herein referred to collectively as the “Reverse Stock Split”). All share and per share amounts in this report have been adjusted to reflect the effect of the Reverse Stock Split.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent consideration, contingent value rights ("CVRs"), and fixed payment obligations at the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to the determination of the fair value of equity awards, the fair value of identified assets and liabilities acquired in business combinations, net realizable value of inventory, the useful lives of property and equipment, intangible assets, impairment of long-lived and intangible assets, including goodwill, provisions for doubtful accounts receivable, certain accrued expenses, and the discount rate used in measuring lease liabilities. These estimates and assumptions are based on the Company's historical results and management's future expectations. Actual results could differ from those estimates.

Reclassification

The Company historically presented accrued distributor fees as a reduction to accounts receivable. However, beginning this quarterly report and for the comparative periods presented, accrued distributors fees will be presented in accrued liabilities instead of accounts receivable. As of June 30, 2020, accrued distributor fees included in accounts receivable, net on the balance sheet was $457,000. This reclassification will have no impact on the Company's statements of operation and cash flows presented in this quarterly report.

Significant Accounting Policies

The Company's significant accounting policies are discussed in Note 2—Summary of Significant Accounting Policies and Recent Accounting Pronouncements in the Annual Report. There have been no significant changes to these policies that have had a material impact on the Company's unaudited condensed consolidated financial statements and related notes during the three and nine months ended March 31, 2021.

Adoption of New Accounting Pronouncements

Fair Value Measurements (“ASU 2018-13”). In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurement (Topic 820) Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement.” The amendments in the standard apply to all entities that are required, under existing GAAP, to make disclosures about recurring or nonrecurring fair value measurements. ASU 2018-13 removes, modifies, and adds certain disclosure requirements in ASC 820, Fair Value Measurement. The standard is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019.

The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date.

The Company adopted this as of July 1, 2020, the beginning of the Company's fiscal year-ended June 30, 2021. The most relevant component of ASU 2018-13 to the Company's financial statements relates to the need to disclose the range and weighted-average of significant unobservable inputs used in Level 3 fair value measurements. However, the Company discloses on a discrete basis all significant inputs for all Level 3 Fair Value measurements.

Recent Accounting Pronouncements

Financial Instruments – Credit Losses ("ASU 2016-13"). In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses" to require the measurement of expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable forecasts. The main objective of this ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The standard was effective for interim and annual reporting periods beginning after December 15, 2019. However, in October 2019, the FASB approved deferral of the adoption date for smaller reporting companies for fiscal periods beginning after December 15, 2022. Accordingly, the Company's fiscal year of adoption will be the fiscal year ended June 30, 2024. Early adoption is permitted for interim and annual reporting periods beginning after December 15, 2018, but the Company did not elect to early adopt. The Company is currently assessing the impact that ASU 2016-13 will have on its consolidated financial statements, but no conclusion has been reached.

This Quarterly Report on Form 10-Q does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to the Company's financial condition, results of operations, cash flows or disclosures.

Note 2 - Acquisitions

Notes to Financial Statements
Business Combination Disclosure [Text Block]

9 Months Ended
Mar. 31, 2021

2. Acquisitions

The Pediatric Portfolio

On October 10, 2019, the Company entered into the Purchase Agreement with Cerecor, Inc. (“Cerecor”) to acquire a line of prescription pediatric products, (the "Pediatric Portfolio"), which closed on November 1, 2019. At closing, the Pediatric Portfolio consisted of four main prescription products (i) Cefaclor™ for Oral Suspension, (ii) Karbinal® ER (iii) Poly-Vi-Flor®, and (iv) Tri-Vi-Flor™. Total consideration transferred to Cerecor consisted of $4.5 million cash and approximately 980,000 shares of Series G Convertible Preferred Stock. The Company also assumed certain of Cerecor's financial and royalty obligations, and not more than $2.7 million of Medicaid rebates and up to $0.8 million of product returns, of which all $3.5 million has been incurred. The Company also hired the majority of Cerecor's commercial workforce.

In addition, the Company assumed Cerecor obligations due to an investor that include fixed and variable payments aggregating to $25.6 million. The Company assumed fixed monthly payments equal to $0.1 million from November 2019 through January 2021 plus $15.0 million due in January 2021. Monthly variable payments due to the same investor are equal to 15% of net revenue generated from a subset of the Pediatric Portfolio, subject to an aggregate monthly minimum of $0.1 million, except for January 2020, when a one-time payment of $0.2 million was paid to the investor. The variable payment obligation continues until the earlier of: (i) aggregate variable payments of approximately $9.5 million have been made, or (ii) February 12, 2026. In June 2020, the Company paid down a $15.0 million balloon payment originally owed in January 2021 to reduce the fixed liability.

Further, certain of the products in the Pediatric Portfolio require royalty payments ranging from 12% to 15% of net revenue. One of the products in the Product Portfolio requires the Company to generate minimum annual sales sufficient to represent annual royalties of approximately $2.1 million, in the event the minimum sales volume is not satisfied.

While no equity was acquired by the Company, the transaction was accounted for as a business combination under the acquisition method of accounting pursuant to Topic 805. Accordingly, the tangible and identifiable intangible assets acquired, and liabilities assumed were recorded at fair value as of the date of acquisition, with the remainder of the aggregate purchase price recorded as goodwill. The goodwill recognized is attributable primarily to strategic opportunities related to an expanded commercial footprint and diversified product portfolio that is expected to provide revenue and cost synergies.

The following table summarized the fair value of assets acquired and liabilities assumed at the date of acquisition.

	As of November 1, 2019
Consideration	
Cash and cash equivalents	$ 4,500,000
Fair value of Series G Convertible Preferred Stock	
Total shares issued	9,805,845
Estimated fair value per share of Aytu common stock	$ 0.567
Estimated fair value of equity consideration transferred	5,559,914
Total consideration transferred	$ 10,059,914
Recognized amounts of identifiable assets acquired and liabilities assumed	
Inventory	$ 459,123
Prepaid assets	1,743,555
Other current assets	2,525,886
Intangible assets - product marketing rights	22,700,000
Accrued liabilities	(300,000)
Accrued product program liabilities	(6,683,932)
Assumed fixed payment obligations	$ (29,837,853)
Total identifiable net assets	(9,393,221)
Goodwill	$ 19,453,135

The fair values of intangible assets, including product technology rights were determined using variations of the income approach. Varying discount rates were also applied to the projected net cash flows. The Company believes the assumptions are representative of those a market participant would use in estimating fair value.

The fair value of the net identifiable asset acquired was determined to be $22.7 million, which is being amortized over ten years.

Innovus Merger (Consumer Health Portfolio)

On February 14, 2020, the Company completed the merger with Innovus Pharmaceuticals after approval by the stockholders of both companies on February 13, 2020 (the "Innovus Merger"). Upon the effectiveness of the Innovus Merger, a subsidiary of the Company merged with and into Innovus, and all outstanding Innovus common stock was exchanged for approximately 380,000 shares of the Company's common stock and up to $16.0 million of Contingent Value Rights (“CVRs”). The

outstanding Innovus warrants with 'cash out' rights were exchanged for approximately 200,000 shares of Series H Convertible Preferred stock of the Company over a period of time covering February 26, 2020 through March 10, 2020. The remaining Innovus warrants outstanding, those without ‘cash out' rights, at the time of the Innovus Merger, continue to be outstanding, and upon exercise, retain the right to the merger consideration offered to Innovus stockholders, including any remaining claims represented by CVRs at the time of exercise. Innovus is now a 100% wholly-owned subsidiary of the Company, (“Aytu Consumer Health”).

On March 31, 2020, the Company paid out the first CVR Milestone in the form of approximately 120,000 shares of the Company's common stock to satisfy the $2.0 million obligation as a result of Innovus achieving the $24 million revenue milestone for the calendar year ended December 31, 2019. As a result of this, the Company recognized a gain of approximately $0.3 million during the three months ended March 31, 2020. On March 20, 2021, the Company paid the CVR holders approximately 103,000 shares of the Company's common stock to satisfy one of two $1.0 million 2020 milestones, which relates to the Innovus achievement of $30.0 million in revenues during the 2020 calendar year. As a result of this, the Company recognized a gain of approximately $0.4 million during the three months ended March 31, 2021. The $1.0 million 2020 milestone for the Aytu Consumer Health subsidiary achieving profitability was not met.

In addition, as part of the Innovus Merger, the Company assumed approximately $3.1 million of notes payable, $0.8 million in lease liabilities, and other assumed liabilities associated with Innovus. Of the $3.1 million of notes payable, approximately $2.2 million was converted into approximately 180,000 shares of the Company's common stock since February 14, 2020. Approximately $41,000 remained outstanding as of March 31, 2021.

The following table summarized the fair value of assets acquired and liabilities assumed at the date of acquisition. These estimates are preliminary, pending final evaluation of certain assets and liabilities, and therefore, are subject to revisions that may result in adjustments to the values presented below:

	As of February 14, 2020
Consideration	
Fair Value of Aytu Common Stock	
Total shares issued at close	3,810,393
Estimated fair value per share of Aytu common stock	$ 0.756
Estimated fair value of equity consideration transferred	$ 2,880,581
Fair value of Series H Convertible Preferred Stock	
Total shares issued	1,997,736
Estimated fair value per share of Aytu common stock	$ 0.756
Estimated fair value of equity consideration transferred	$ 1,510,288
Fair value of former Innovus warrants	$ 15,315
Fair value of Contingent Value Rights	7,049,079
Forgiveness of Note Payable owed to the Company	1,350,000
Total consideration transferred	$ 12,805,263

	As of February 14, 2020
Total consideration transferred	$ 12,805,263
Recognized amounts of identified assets acquired and liabilities assumed	
Cash and cash equivalents	$ 390,916
Accounts receivable	278,826
Inventory	1,149,625
Prepaid expenses and other current assets	1,692,133
Other long-term assets	36,781
Right-to-use assets	328,410
Property, plant and equipment	190,393
Trademarks and patents	11,744,000
Accounts payable and accrued other expenses	(7,202,309)
Other current liabilities	(629,601)
Notes payable	(3,056,361)
Lease liability	(754,822)
Total identifiable net assets	$ 4,167,991
Goodwill	$ 8,637,272

The fair values of intangible assets, including product distribution rights were determined using variations of the income approach, specifically the relief-from-royalties method. It also includes customer lists using an income approach utilizing a discounted cash flow model. Varying discount rates were also applied to the projected net cash flows. The CVRs were valued using a Monte-Carlo model. The Company believes the assumptions are representative of those a market participant would use in estimating fair value (see Note 9).

The fair value of the net identifiable assets acquired was determined to be $11.7 million, which is being amortized over a range between 1.5 to 10 years.

Neos Merger (ADHD Portfolio)

On March 19, 2021, the Company completed the Neos Merger with Neos Therapeutics, Inc. after approval by the stockholders of Neos on March 18, 2021 and the approval of the consideration to be delivered by the Company in connection with the merger by the shareholders of Aytu, also on March 18, 2021. Upon the effectiveness of the Neos Merger, a subsidiary of the Company merged with and into Neos, and all outstanding Neos common stock was exchanged for approximately 5,472,000 shares of the Company's common stock. Neos is now a 100% wholly-owned subsidiary of the Company. The Company pursued the acquisition of Neos in order to gain scale in the industry, expand its product portfolio and as an opportunity to potentially accelerate the pathway to breakeven. The Company incurred in relation to the Neos Merger (i) approximately $2.8 million of acquisition related costs, recognized as part of operating expense, and (ii) $0.1 million of issuance costs, recognized as a component of stockholders' equity.

The following table summarized the preliminary fair value of assets acquired and liabilities assumed at the date of acquisition. These estimates are preliminary, pending final evaluation of certain assets and liabilities, and therefore, are subject to revisions that may result in adjustments to the values presented below;

	As of March 19, 2021
Considerations:	
Fair Value of Aytu Common Stock	
Total shares issued at close	5,471,804
Estimated fair value per share of Aytu common stock	$ 9.73
Estimated fair value of equity consideration transferred	$ 53,240,653
Cash	15,383,104
Estimated fair value of replacement equity awards	432,289
Total consideration transferred	$ 69,056,046

	As of March 19, 2021
Total consideration transferred	$ 69,056,046
Recognized amounts of identified assets acquired and liabilities assumed	
Cash and cash equivalents	$ 15,721,797
Accounts receivable	24,695,527
Inventory	10,984,055
Prepaid expenses and other current assets	2,929,457
Operating leases right-to-use assets	3,515,141
Property, plant and equipment	5,518,801
Intangible assets	56,530,000
Other long-term assets	148,931
Accounts payable and accrued expenses	(56,718,159)
Short-term line of credit	(10,707,115)
Long-term debt, including current portion	(17,677,954)
Operating lease liabilities	(3,515,141)
Other long-term liabilities	(81,523)
Total identifiable net assets	$ 31,343,817
Goodwill	$ 37,712,229

The fair values of intangible assets were determined using variations of the cost approach, excess earnings method and the relief-from-royalties method. The fair value of Neos trade name, in-process R&D and developed product technology, which is the proprietary technology for the development of Adzenys, Cotempla and generic Tussionex, were determined using the relief from royalty method. The fair value of developed technology right, which is a proprietary modified-release drug delivery technology, was determined using multi-period excess earnings method. The fair value of RxConnect, which is a developed technology for Neos-sponsored patient support program that offers affordable and predictable copays to all commercially insured patients, was determined using cost to recreate method. The finite-lived intangible assets are being amortized over a range of between 1 to 18 years.

The fair value of the identifiable intangible assets acquired were as follows:

	As of March 19, 2021
Identified intangible assets acquired:	
Developed technology right	$ 30,200,000
Developed products technology	22,700,000
In-process R&D	2,600,000
RxConnect	630,000
Trade name	400,000
Total intangible assets acquired	$ 56,530,000

Unaudited Pro Forma Information

The following supplemental unaudited proforma financial information presents the Company's results as if the following acquisitions had occurred on July 1, 2019:

- Acquisition of the Pediatric Portfolio, effective November 1, 2019;
- Merger with Innovus, effective February 14, 2020.
- Merger with Neos, effective March 19, 2021.

The unaudited pro forma results have been prepared based on estimates and assumptions, which management believes are reasonable, however, the results are not necessarily indicative of the consolidated results of operations had the acquisition occurred on July 1, 2019, or of future results of operations:

	Three Months Ended		Nine Months Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Actual (Unaudited) (dd)	Pro forma (Unaudited) (aa) (bb)	Actual (Unaudited) (dd)	Pro forma (Unaudited) (cc)
Total revenues, net	$ 22,250,543	$ 24,824,477	$ 74,582,036	$ 83,141,373
Net (loss)	$ (32,674,710)	$ (13,800,554)	$ (55,711,884)	$ (31,686,745)
Net (loss) per share (ee)	$ (1.41)	$ (3.91)	$ (2.71)	$ (14.01)

(aa) For the three months ended March 31, 2020, the Pediatric Portfolio acquisition occurred prior to the three months ended March 31, 2020, and accordingly, the results of the Pediatric Portfolio are fully consolidated into the Company's results for the three months ended March 31, 2020.

(bb) Due to the absence of discrete financial information for Innovus covering the period from January 1, 2020 through February 13, 2020, the Company did not include the impact of that stub-period for the pro forma results for the three and nine months ended March 31, 2020.

(cc) Due to a lack of financial information covering the period from October 1, 2019 through November 1, 2019, the Company was not able to provide pro forma adjusted financial statements for the nine months ended March 31, 2020 without making estimated extrapolations that the Company did not believe would be material or useful to users of the above pro forma information.

(dd) Neos contributed approximately $0.9 million to net revenue and approximately $3.9 million to net loss for the period covering March 20, 2021 through March 31, 2021.

(ee) Pro forma net loss per share calculations excluded the impact of the issuance of the (i) Series G Convertible Preferred Stock and the, (ii) Series H Convertible Preferred Stock under the assumption those shares would continue to remain non-participatory during the periods reported above.

Note 3 - Revenue Recognition

Notes to Financial Statements

Revenue from Contract with Customer [Text Block]

9 Months Ended Mar. 31, 2021

3. Revenue Recognition

Contract Balances. Contract assets primarily relate to the Company's right to consideration in exchange for products transferred to a customer in which that right to consideration is dependent upon the customer selling these products. As of March 31, 2021, contract assets of $42,000 was included in other current assets in the consolidated balance sheet. There was no contract asset as of June 30, 2020. Contract liabilities primarily relate to advances or deposits received from the Company's customers before revenue is recognized. As of March 31, 2021 and June 30, 2020, contract liabilities of $0.2 million and $0.3 million, respectively, were included in accrued liabilities in the consolidated balance sheet.

Revenues by Geographic location. The following table reflects the Company's product revenues by geographic location as determined by the billing address of customers:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
U.S.	$ 12,344,000	$ 7,273,000	$ 38,245,000	$ 11,582,000
International	1,138,000	883,000	3,905,000	1,189,000
Total net revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000

Revenues by Product Portfolio. Net revenue disaggregated by significant product portfolio for the three and nine months ended March 31, 2021 and March 31, 2020 were as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Primary care and devices portfolio	$ 1,209,000	$ 870,000	$ 8,339,000	$ 3,500,000
Pediatric portfolio	3,918,000	3,833,000	9,752,000	5,818,000
Consumer Health portfolio	8,355,000	3,453,000	24,059,000	3,453,000
Consolidated revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000

Note 4 - Inventories

Notes to Financial Statements
Inventory Disclosure [Text Block]

9 Months Ended
Mar. 31, 2021

4. Inventories

Inventories consist of raw materials, work in process and finished goods and are recorded at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. Aytu periodically reviews the composition of its inventories to identify obsolete, slow-moving or otherwise unsaleable items. In the event that such items are identified and there are no alternate uses for the inventory, Aytu will record a write-down to net realizable value in the period that the impairment is first recognized. The Company wrote down $7.0 million and $7.2 million of inventory during the three and nine months ended March 31, 2021, respectively, primarily as a result of changing market conditions for the Company's COVID-19 test kits. There was no inventory written down for the three and nine-months ended March 31, 2020, respectively.

Inventory balances consist of the following:

	As of March 31, 2021	As of June 30, 2020
Raw materials	$ 2,583,000	$ 397,000
Work in process	3,181,000	–
Finished goods	10,812,000	9,603,000
Inventory	$ 16,576,000	$ 10,000,000

Note 5 - Fixed Assets

9 Months Ended
Mar. 31, 2021

Notes to Financial Statements

Property, Plant and Equipment Disclosure [Text Block]

5. Fixed Assets

Fixed assets are recorded at cost and once placed in service, are depreciated on a straight-line basis over the estimated useful lives. Leasehold improvements are amortized over the shorter of the estimated economic life or related lease term. Fixed assets consist of the following:

	Estimated Useful Lives in years	As of March 31, 2021	As of June 30, 2020
Manufacturing equipment	2 - 7	$ 3,072,000	$ 112,000
Leasehold improvements	3	1,259,000	229,000
Office equipment, furniture and other	2 - 7	966,000	312,000
Lab equipment	3 - 7	646,000	90,000
Assets under construction		186,000	–
Less accumulated depreciation and amortization		(571,000)	(484,000)
Fixed assets, net		$ 5,558,000	$ 259,000

During the nine months ended March 31, 2021, the Company recognized a loss of $0.1 million on sale of equipment due to termination of leases. There was no such loss during the three months ended March 31, 2021.

Depreciation and amortization expense totaled $68,000 and $24,000 for the three-months ended March 31, 2021 and 2020, respectively, and $119,000 and $56,000 for the nine-months ended March 31, 2021 and 2020, respectively.

Note 6 - Leases, Right-to-use Assets and Related Liabilities

Notes to Financial Statements

Lessee, Operating Leases [Text Block]

9 Months Ended

Mar. 31, 2021

6. Leases, Right-to-Use Assets and Related Liabilities

The Company previously adopted the FASB issued ASU 2016-02, “Leases (Topic 842)” as of July 1, 2019. With the adoption of ASU 2016-02, the Company recorded an operating right-of-use asset ("ROU") and an operating lease liability on its balance sheet associated with the leases of the corporate headquarters. The finance leases are related to the Company's Neos subsidiary equipment leases. The operating lease ROU asset represents the Company's right to use the underlying asset for the lease term, and the lease obligation represents the Company's commitment to make the lease payments arising from the lease. The operating lease ROU assets and obligations were recognized at the later of the commencement date or July 1, 2019, the date of adoption of Topic 842, based on the present value of remaining lease payments over the lease term. As the Company's lease does not provide an implicit rate, the Company used an estimated incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. Rent expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. The operating lease liabilities are classified as current or long-term operating lease liabilities on the balance sheet.

Upon the closing of the Neos Merger on March 19, 2021, pursuant to the guidance under ASC 805, Neos recognized operating lease ROU asset and lease liability of $3.5 million, which represented the present value of the remaining lease payments as of the acquisition date, for its office space and manufacturing facilities at Grand Prairie, Texas. As the lease agreement does not provide an implicit rate, Neos used its borrowing rate of 6.7% to determine the present value of future lease payments. Furthermore, as of the acquisition date, no assets or liabilities of the operating leases that have a remaining lease term of less than twelve months were recognized. The finance leases are related to Neos equipment finance leases with fixed contract terms and an implicit interest rate of approximately 5.9%. The finance lease assets are included in fixed assets and the lease liabilities are included in current and long-term debt on the balance sheet.

On August 28, 2020, the Company's Innovus subsidiary signed a lease termination agreement with its lessor to terminate its lease effective September 30, 2020. The original lease termination date was April 30, 2023. As part of the agreement, Innovus agreed to make a cash payment to the landlord the equivalent of two additional months' rent aggregating to $44,306 plus $125,000 less the security deposit of $20,881. The fair value of the lease liability related to this facility lease was approximately $0.7 million as of June 30, 2020. The Company recognized a gain of approximately $343,000 during the nine months ended March 31, 2021.

On October 1, 2020, the Company's Innovus subsidiary entered into a short-term lease for warehouse space in Carlsbad, CA. The lease term is for one-year with an option to terminate after six months with ninety days' notice. This lease is accounted for as a short-term lease and is not included as a component of the Company's right-to-use assets and related liability.

The components of lease expenses are as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,		
	2021	2020	2021	2020	Statement of Operations Classification
Lease cost:					
Operating lease cost	$ 69,000	$ 27,000	$ 128,000	$ 72,000	Operating expenses
Short-term lease cost	7,000	–	7,000	–	Operating expenses
Finance lease cost:					
Amortization of leased assets	19,000	–	19,000	–	Cost of sales
Interest on lease liabilities	1,000	–	1,000	–	Other (expense), net
Total net lease cost	$ 96,000	$ 27,000	$ 155,000	$ 72,000	

Supplemental balance sheet information related to leases is as follows:

	March 31, 2021	June 30, 2020	Balance Sheet Classification
Assets:			
Operating lease assets	$ 3,782,000	$ 634,000	Operating lease right-of-use asset
Finance lease assets	347,000	–	Fixed assets, net
Total leased assets	$ 4,129,000	$ 634,000	
Liabilities:			
Current:			
Operating leases	$ 911,000	$ 300,000	Current portion of operating lease liabilities
Finance leases	100,000	–	Current portion of debt
Long-term			
Operating leases	2,872,000	725,000	Long-term operating lease liabilities, net of current portion
Finance leases	207,000	-	Long-term debt, net of current portion
Total lease liabilities	$ 4,090,000	$ 1,025,000	

Remaining lease term and discount rate used are as follows:

	March 31, 2021	June 30, 2020
Weighted-Average Remaining Lease Term (years)		
Operating lease assets	3.67	3.33
Finance lease assets	2.96	–
Weighted-Average Discount Rate		
Operating lease assets	6.62%	8.09%
Finance lease assets	6.40%	–

Supplemental cash flow information related to lease is as follows:

	Nine Months Ended March 31,	
	2021	2020
Cash flow classification of lease payments:		
Operating cash flows from operating leases	$ 128,000	$ 72,000
Operating cash flows from finance leases	$ 1,000	$ -

As of March 31, 2021, the maturities of the Company's future minimum lease payments were as follows:

	Operating	Finance
2021 (remaining 3 months)	$ 281,000	$ 29,000
2022	1,154,000	117,000
2023	1,182,000	105,000
2024	1,117,000	88,000
2025	557,000	–
Total lease payments	4,291,000	339,000
Less: Imputed interest	(508,000)	(32,000)
Lease liabilities	$ 3,783,000	$ 307,000

Note 7 - Intangible Assets

Notes to Financial Statements
Intangible Assets Disclosure [Text Block]

9 Months Ended
Mar. 31, 2021

7. Intangible Assets

The Company currently holds the following intangible asset portfolios as of March 31, 2021: (i) Licensed assets, which consist of pharmaceutical product assets that were acquired prior to July 1, 2020; (ii) Product technology rights, acquired from the November 1, 2019 acquisition of the Pediatric Portfolio from Cerecor, as a result of the Innovus Merger on February 14, 2020 and as a result of the Neos Merger on March 19, 2021, (iii) Proprietary modified-release drug delivery technology right as a result of the Neos Merger, (iv) Acquired product distribution rights and commercial technology consisting of RxConnect and trade names as a result of the Neos Merger, and patents, trade names and the acquired customer lists from the Innovus Merger, (v) Acquired in-process R&D related to NT0502 product candidate for sialorrhea from the Neos Merger.

On March 31, 2021, the Company and Acerus Pharmaceuticals Corporation ("Acerus") entered into a termination and transition agreement (the "Termination Agreement") to terminate the License and Supply Agreement previously entered into on July 29, 2019. Pursuant to the Termination Agreement, the Company ceased all sales, marketing and promotions of Natesto, and Acerus agreed to pay the Company an aggregate amount of $7.5 million, payable in equal monthly installment payments for a period of 30 consecutive months. The Company determined that none of the $7.5 million future cash payments can be recognized as of March 31, 2021, and therefore the remaining $4.3 million carrying value of the licensed intangible asset related to Natesto was impaired, and there is no remaining value as of March 31, 2021.

If acquired in an asset acquisition, the Company capitalized the acquisition cost of each licensed patent or tradename, which can include a combination of both upfront consideration, as well as the estimated future contingent consideration estimated at the acquisition date. If acquired in a business combination, the Company capitalizes the estimated fair value of the intangible asset or assets acquired, based primarily on a discounted cash flow model approach or relief-from-royalties model as further described in Note 2.

The following table provides the summary of the Company's intangible assets as of March 31, 2021 and June 30, 2020, respectively.

	March 31, 2021				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Weighted-Average Remaining Life (in years)
Licensed assets	$ 23,649,000	$ (8,768,000)	$ (4,286,000)	$ 10,595,000	15.15
Acquired product technology right	45,400,000	(3,259,000)	–	42,141,000	13.37
Acquired technology right	30,200,000	(57,000)	–	30,143,000	16.97
Acquired product distribution rights	11,354,000	(1,697,000)	–	9,657,000	7.03
Acquired in-process R&D	2,600,000	-	–	2,600,000	Indefinite-lived
Acquired commercial technology	630,000	(20,000)	–	610,000	1.97
Acquired trade name	400,000	(6,000)	–	394,000	0.97
Acquired customer lists	390,000	(293,000)	–	97,000	0.37
Total	$ 114,623,000	$ (14,100,000)	$ (4,286,000)	$ 96,237,000	13.56

	June 30, 2020				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Weighted-Average Remaining Life (in years)
Licensed assets	$ 23,649,000	$ (7,062,000)	$ –	$ 16,587,000	11.88
MiOXSYS Patent	380,000	(185,000)	(195,000)	–	–
Acquired product technology right	22,700,000	(1,513,000)	–	21,187,000	9.34
Acquired product distribution rights	11,354,000	(565,000)	–	10,789,000	7.78
Acquired customer lists	390,000	(98,000)	–	292,000	1.12
Total	$ 58,473,000	$ (9,423,000)	$ (195,000)	$ 48,855,000	9.11

The following table summarizes the estimated future amortization expense to be recognized over the next five years and periods thereafter:

	Amortization
2021 (remaining 3 months)	$ 2,234,500
2022	8,529,000
2023	7,981,000
2024	7,825,000
2025	7,591,000
Thereafter	59,476,500
Total future amortization expense	$ 93,637,000

Certain of the Company's amortizable intangible assets include renewal options, extending the expected life of the asset. The renewal periods range between approximately 1 to 20 years depending on the license, patent or other agreement. Renewals are accounted for when they are reasonably assured. Intangible assets are amortized using the straight-line method over the estimated useful lives. Amortization expense of intangible assets was $1.7 million and $1.4 million for the three months ended March 31, 2021 and 2020, respectively. Amortization expense of intangible assets was $4.9 million and $2.9 million for the nine months ended March 31, 2021 and 2020, respectively.

Note 8 - Accrued Liabilities

9 Months Ended
Mar. 31, 2021

Notes to Financial Statements

Accounts Payable and Accrued Liabilities Disclosure [Text Block]

8. Accrued liabilities

Accrued liabilities consist of the following:

	As of March 31, 2021	As of June 30, 2020
Accrued settlement expense	$ 150,000	$ 315,000
Accrued program liabilities	7,836,000	959,000
Accrued product-related fees	2,379,000	2,471,000
Accrued savings offers	19,218,000	–
Accrued distributor fees	2,816,000	457,000
Credit card liabilities	657,000	510,000
Medicaid liabilities	1,948,000	1,842,000
Return reserve	5,592,000	1,329,000
Sales taxes payable	182,000	175,000
Other accrued liabilities*	2,404,000	588,000
Total accrued liabilities	$ 43,182,000	$ 8,646,000

* Other accrued liabilities consist of franchise tax, accounting and legal fees, interest payable, merchant services charges, none of which individually represent greater than five percent of total current liabilities.

Note 9 - Fair Value Considerations

Notes to Financial Statements

Fair Value Disclosures [Text Block]

9 Months Ended
Mar. 31, 2021

9. Fair Value Considerations

The Company's asset and liability classified financial instruments include cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities, warrant derivative liability and contingent consideration. The carrying amounts of financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short maturities. The fair value of acquisition-related contingent consideration is based on Monte-Carlo models. The valuation policies are determined by management, and the Company's Board of Directors is informed of any policy change.

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on reliability of the inputs as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets that are accessible to Aytu for identical assets or liabilities;

Level 2: Inputs that include quoted prices for similar assets and liabilities in active or inactive markets or that are observable for the asset or liability either directly or indirectly; and

Level 3: Unobservable inputs that are supported by little or no market activity.

The Company's assets and liabilities which are measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. The Company's policy is to recognize transfers in and/or out of fair value hierarchy as of the date in which the event or change in circumstances caused the transfer. Aytu has consistently applied the valuation techniques discussed below in all periods presented.

Recurring Fair Value Measurements

The following table presents the Company's financial liabilities that were accounted for at fair value on a recurring basis as of March 31, 2021 and June 30, 2020, by level within the fair value hierarchy.

		Fair Value Measurements at March 31, 2021		
	Fair Value at March 31, 2021	Quoted Priced in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring:				
Contingent consideration	$ 14,904,000	$ –	$ –	$ 14,904,000
CVR liability	5,591,000	–	–	5,591,000
Total	$ 20,495,000	$ –	$ –	$ 20,495,000

		Fair Value Measurements at June 30, 2020		
	Fair Value at June 30, 2020	Quoted Priced in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring:				
Contingent consideration	$ 13,588,000	$ –	$ –	$ 13,588,000
CVR liability	5,572,000)	–	–	5,572,000)
Total	$ 19,160,000	$ –	$ –	$ 19,160,000

Contingent Consideration. The Company classifies its contingent consideration liability in connection with the acquisition of Tuzistra XR, ZolpiMist and Innovus within Level 3 as factors used to develop the estimated fair value are unobservable inputs that are not supported by market activity. The Company estimates the fair value of contingent consideration liability based on projected payment dates, discount rates, probabilities of payment and projected revenues. Projected contingent payment amounts are discounted back to the current period using a discounted cash flow methodology.

As of November 2, 2018, the contingent consideration related to Tuzistra XR, was valued at $8.8 million using a Monte Carlo simulation. As of March 31, 2021, the contingent consideration was revalued at $14.4 million using the same Monte Carlo simulation methodology, and based on current interest rates, expected sales potential and Aytu stock trading variables. As of March 31, 2021, none of the milestones had been achieved, and therefore, no milestone payment was made. However, approximately $3.0 million is expected to be paid in November 2021, as this milestone will be satisfied.

The contingent consideration related to the ZolpiMist royalty payments was valued at $2.6 million using a Monte Carlo simulation, as of June 11, 2018. As of March 31, 2021, the contingent consideration was revalued at $0.3 million using the same Monte Carlo simulation methodology, and based on current interest rates, expected sales potential and Aytu stock trading variables. The Company reevaluates the contingent consideration on a quarterly basis for changes in the fair value recognized after the acquisition date, such as measurement period adjustments. As of March 31, 2021, none of the milestones had been achieved, and therefore, no milestone payment was made.

The Company recognized approximately $0.2 million in product related contingent consideration as a result of the February 14, 2020 Innovus Merger. The fair value was based on a discounted value of the future contingent payment using a 30% discount rate based on the estimates risk that the milestones are achieved. The contingent consideration accretion expense for the three and nine months ended March 31, 2021 and 2020 was $15,000, and $44,000, respectively. There was no material change in this valuation as of March 31, 2021.

Contingent value rights. Contingent value rights (“CVRs”) represent contingent additional consideration of up to $16.0 million payable to satisfy future performance milestones related to the Innovus Merger. Consideration can be satisfied in up to 470,000 shares of the Company's common stock, or cash either upon the option of the Company or in the event there are insufficient shares available to satisfy such obligations. The fair value of the contingent value rights was based on a Monte Carlo model which takes into account current interest rates and expected sales potential. On March 31, 2020, the Company paid the CVR holders approximately

120,000 shares of the Company's common stock to satisfy the first $2.0 million milestone, which relates to the Innovus achievement of $24.0 million in revenues during the 2019 calendar year. On March 20, 2021, the Company paid the CVR holders approximately 103,000 shares of the Company's common stock to satisfy one of two $1.0 million 2020 milestones, which relates to the Innovus achievement of $30.0 million in revenues during the 2020 calendar year. The $1.0 million 2020 milestone for achieving profitability was not met. The unrealized loss for the three months ended March 31, 2021 and March 31, 2020 was $0.1 million and $0.2 million, respectively. The unrealized loss for the nine months ended months ended March 31, 2021 and 2020 was $1.0 million and $0.2 million, respectively. The CVR's did not exist until after December 31, 2019.

Summary of Level 3 Input Changes

The following table sets forth a summary of changes to those fair value measures using Level 3 inputs for the nine months ended March 31, 2021:

	CVR Liability	Contingent Consideration
Balance as of June 30, 2020	$ 5,572,000	$ 13,588,000
Included in earnings	1,019,000	1,999,000
Settlements	(1,000,000)	(683,000)
Balance as of March 31, 2021	$ 5,591,000	$ 14,904,000

Significant Assumptions

Contingent consideration. The Company estimates the fair value of the Contingent Consideration at each reporting date using management's forecast as the baseline for developing a Monte-Carlo model. The other significant assumptions used in the Monte Carlo Simulation as of March 31, 2021, were as follows:

	As of March 31, 2021
Contingent Consideration	
Credit risk assumption	20.80%
Sales volatility	45.00%
Credit spread	3.00%
Time steps per year	1
Number of iterations	500

Contingent value rights. The Company estimates the fair value of the Contingent Value Rights at each reporting date using management's forecast as the baseline for developing a Monte-Carlo model. The other significant assumptions used in the Monte Carlo Simulation as of March 31, 2021 were as follows:

	As of March 31, 2021
Contingent Value Rights	
Credit risk assumption	9.6%
Time steps per year	30.00
Number of iterations	10,000

Note 10 - Commitments and Contingencies

Notes to Financial Statements

Commitments and Contingencies Disclosure [Text Block]

9 Months Ended
Mar. 31, 2021

10. Commitments and Contingencies

Commitments and contingencies are described below and summarized by the following as of March 31, 2021:

	Total	2021	2022	2023	2024	2025	Thereafter
Prescription database	$ 1,145,000	$ 412,000	$ 733,000	$ –	$ –	$ –	$ –
Pediatric portfolio fixed payments and product minimums	15,000,000	825,000	3,300,000	3,300,000	3,300,000	3,300,000	975,000
Inventory purchase commitment	1,472,000	736,000	736,000	–	–	–	–
CVR liability	12,000,000	–	2,000,000	5,000,000	5,000,000	–	–
Product contingent liability	2,500,000	–	–	–	–	–	2,500,000
Product milestone payments	3,000,000	–	3,000,000	–	–	–	–
Total	$35,117,000	$1,973,000	$9,769,000	$8,300,000	$8,300,000	$3,300,000	$3,475,000

Prescription Database

In May 2016, the Company entered into an agreement with a vendor that will provide it with prescription database information. The Company agreed to pay approximately $1.6 million over three years for access to the database of prescriptions written for Natesto. In January 2020, the Company amended the agreement and agreed to pay additional $0.6 million to add access to the database of prescriptions written for the Pediatric Portfolio. The payments have been broken down into quarterly payments.

Pediatric Portfolio Fixed Payments and Product Milestone

The Company assumed two fixed, periodic payment obligations to an investor (the “Fixed Obligation”). Beginning November 1, 2019 through January 2021, the Company will pay monthly payments of $86,840, with a balloon payment of $15.0 million that was to be due in January 2021. A second fixed obligation requires the Company pay a minimum of $100,000 monthly through February 2026, except for $210,767 paid in January 2020.

On May 29, 2020, the Company entered into an Early Payment Agreement and Escrow Instruction (the “Early Payment Agreement”) pursuant to which the Company agreed to pay $15.0 million to the investor in early satisfaction of the Balloon Payment Obligation. The parties to the Early Payment Agreement acknowledged and agreed that the remaining fixed payments other than the Balloon Payment Obligation remain due and payable pursuant to the terms of the Agreement, and that nothing in the Early Payment Agreement alters, amends, or waives any provisions or obligations in the Waiver or the Investor agreement other than as expressly set forth therein.

In addition, the Company acquired a Supply and Distribution Agreement with Tris Pharma, Inc. ("TRIS"), (the “Karbinal Agreement”), under which the Company is granted the exclusive right to distribute and sell the product in the United States. The initial term of the Karbinal Agreement was 20 years. The Company will pay TRIS a royalty equal to 23.5% of net sales. A third party agreed to offset the 23.5% royalty payable by 8.5%, for a net royalty equal to 15%, in fiscal year 2018 and 2019 for net sales of Karbinal.

The Karbinal Agreement make-whole payment is capped at $2.1 million each year. The Karbinal Agreement also contains minimum unit sales commitments, which is based on a commercial year that spans from August 1 through July 31, of 70,000 units annually through 2025. The Company is required to pay TRIS a royalty make whole payment of $30 for each unit under the 70,000-unit annual minimum sales commitment through 2025. The annual payment is due in August of each year. The Karbinal Agreement also has multiple commercial milestone obligations that aggregate up to $3.0 million based on cumulative net sales, the first of which is triggered at $40.0 million of net revenues.

Inventory Purchase Commitment

On May 1, 2020, the Company's Innovus subsidiary entered into a Settlement Agreement and Release (the “Settlement Agreement”) with Hikma Pharmaceuticals USA, Inc. (“Hikma”). Pursuant to the settlement agreement, Innovus has agreed to purchase and Hikma has agreed to manufacture a minimum amount of the Company's branded fluticasone propionate nasal spray USP, 50 mcg per spray (FlutiCare®), under Hikma's FDA approved ANDA No. 207957 in the U.S. The commitment requires Innovus to purchase three batches of product through fiscal year 2022 each of which amount to $1.0 million.

CVR Liability

On February 14, 2020, the Company closed on the Merger with Innovus Pharmaceuticals after approval by the stockholders of both companies on February 13, 2020. Upon closing the Merger, a subsidiary of the Company merged with and into Innovus and entered into a Contingent Value Rights Agreement (the “CVR Agreement”). Each CVR entitles its holder to receive its pro rata share, payable in cash or stock, at the option of Aytu, of certain payment amounts if the targets are met. If any of the payment amounts is earned, they are to be paid by the end of the first quarter of the calendar year following the year in which they are earned. Multiple revenue milestones can be earned in one year.

On March 31, 2020, the Company paid the CVR holders approximately 120,000 shares of the Company's common stock to satisfy the $2.0 million obligation as a result of Innovus achieving the $24.0 million revenue milestone for calendar year ended December 31, 2019. As a result of this, the Company recognized a gain of approximately $0.3 million during the fiscal year ended June 30, 2020. On March 20, 2021, the Company paid the CVR holders approximately 103,000 shares of the Company's common stock to satisfy one of two $1.0 million 2020 milestones, which relates to the Innovus achievement of $30.0 million in revenues during the 2020 calendar year. As a result of this, the Company recognized a gain of approximately $0.4 million during the three months ended March 31, 2021.The $1.0 million 2020 milestone for achieving profitability was not met.

Product Contingent Liability

In February 2015, Innovus acquired Novalere, which included the rights associated with distributing FlutiCare. As part of the merger, Innovus is obligated to make five additional payments of $0.5 million each when certain levels of FlutiCare sales are achieved. The discounted value as of March 31, 2021, is approximately $0.2 million.

Product Milestone Payments

In connection with the Company's intangible assets, Aytu has certain milestone payments, totaling $3.0 million, payable at a future date, which are not directly tied to future sales, but are payable upon other events certain to happen. These obligations are included in the valuation of the Company's contingent consideration (see Note 9).

Note 11 - Capital Structure

9 Months Ended
Mar. 31, 2021

Notes to Financial Statements
Stockholders' Equity Note Disclosure [Text Block]

11. Capital Structure

The Company has 200 million shares of common stock authorized with a par value of $0.0001 per share and 50 million shares of preferred stock authorized with a par value of $0.0001 per share. On March 31, 2021 and June 30, 2020, Aytu had 23,457,887 and 12,583,736 common shares outstanding, respectively, and zero preferred shares outstanding, respectively.

Included in the common stock outstanding are 274,635 shares of restricted stock issued to executives, directors, employees, and consultants.

In June 2020, the Company initiated an at-the-market offering program ("ATM"), which allows the Company to sell and issue shares of the Company's common stock from time-to-time. The company has issued 430,230 shares of common stock, with total gross proceeds of $6.8 million before deducting underwriting discounts, commissions and other offering expenses payable by the Company of $0.2 million through June 30, 2020. The Company did not issue any shares of common stock under the ATM during the three months ended March 31, 2021, and has issued 352,912 shares of common stock under the ATM, with total gross proceeds of approximately $3.6 million before deducting underwriting discounts, commissions, and other offering expenses payable by the Company of $1.6 million during the nine months ended March 31, 2021. Since initiated in June 2020 through March 31, 2021, the total number of shares of common stock issued under the ATM was 783,142, with total gross proceeds of $10.4 million before deducting underwriting discounts, commissions and other offering expenses payable by the Company of $1.8 million.

The Company entered into three separate registered direct stock offerings on March 10, 2020, March 12, 2020 and March 19, 2020 (the “March Offerings”) in which the Company issued a combination of common stock and warrants. In July 2020, the Company paid $1.5 million issuance cost in cash related to the March Offerings and issued 92,302 warrants to purchase 92,302 shares of the Company's common stock with a weighted-average exercise price of $15.99 to an investment bank conjunction with the March 2020 offerings. The warrants have a term of one year from the issuance date. These warrants had at issuance a fair value of approximately $356,000 and were valued using a Black-Scholes model.

On December 10, 2020, the Company entered into an exchange agreement to exchange the $0.8 million of debt outstanding for 130,081 shares of the Company's common stock (see Note 15).

On December 10, 2020, the Company entered into an underwriting agreement with H.C. Wainwright & Co., LLC (“Wainwright”) (as amended and restated, the “Underwriting Agreement”). Pursuant to the Underwriting Agreement, the Company agreed to sell, in an upsized firm commitment offering, 4,166,667 shares (the “Shares”) of the Company's common stock, $0.0001 par value per share (the “Common Stock”), to Wainwright at an offering price to the public of $6.00 per share, less underwriting discounts and commissions. In addition, pursuant to the Underwriting Agreement, the Company granted Wainwright a 30-day option to purchase up to an additional 625,000 shares of Common Stock at the same offering price to the public, less underwriting discounts and commissions. Wainwright exercised their over-allotment option in full, purchasing total common stock of 4,791,667 shares. The Company raised gross proceeds of $28.8 million through this offering. Offering costs totaled $2.6 million resulting in net cash proceeds of $26.2 million. In connection with the offering, the Company issued 311,458 underwriter warrants to purchase up to 311,458 shares of common stock. The exercise price per share of the underwriter warrants is $7.50 (equal to 125% of the public offering price per share for the shares of common stock sold in the offering) and the underwriter warrants

have a term of five years from the date of effectiveness of the offering. The underwriter warrants are exercisable immediately. These warrants have fair value of approximately $1.3 million and are classified with the stockholders' equity.

On March 19, 2021, upon closing of the Neos Merger, the Company issued 5,447,000 shares of its common stock to acquire all the outstanding shares of common stock of Neos. In addition, pursuant to the agreement in the Neos Merger, the Company issued 24,804 shares of common stock to settle the accelerated restricted stock units of former Neos directors and officers (see Note 2).

On March 20, 2021, the Company paid the CVR holders approximately 103,000 shares of the Company's common stock to satisfy one of two $1.0 million 2020 milestones, which relates to the Innovus achievement of $30.0 million in revenues during the 2020 calendar year.

Note 12 - Equity Incentive Plan

Notes to Financial Statements

Share-based Payment Arrangement [Text Block]

9 Months Ended
Mar. 31, 2021

12. Equity Incentive Plan

Aytu 2015 Plan

On June 1, 2015, the Company's stockholders approved the Aytu BioPharma 2015 Stock Option and Incentive Plan (the "Aytu 2015 Plan"), which, as amended in July 2017, provides for the award of stock options, stock appreciation rights, restricted stock and other equity awards for up to an aggregate of 3.0 million shares of common stock. The shares of common stock underlying any awards that are forfeited, canceled, reacquired by Aytu prior to vesting, satisfied without any issuance of stock, expire or are otherwise terminated (other than by exercise) under the 2015 Plan will be added back to the shares of common stock available for issuance under the Aytu 2015 Plan. On February 13, 2020, the Company's stockholders approved an increase to 5.0 million total shares of common stock in the Aytu 2015 Plan. As of March 31, 2021, the Company had 4,603,990 shares that are available for grant under the Aytu 2015 Plan.

Neos 2015 Plan

Pursuant to the Neos Merger, the Company assumed 69,721 stock options and 35,728 restricted stock units (RSUs) previously granted under Neos plan. Accordingly, on April 19, 2021, the Company registered 105,449 shares of its common stock under the Neos Therapeutics, Inc. 2015 Stock Options and Incentive Plan (the "Neos 2015 Plan") with the SEC. The terms and conditions of the assumed equity securities will stay the same as they were under the previous Neos plan. The Company allocated costs of the replacement awards attributable to pre- and post-combination service periods. The pre-combination service costs were included in the considerations transferred. The remaining costs attributable to the post-combination service period are being recognized as stock-based compensation expense over the remaining terms of the replacement awards. As of March 31, 2021, the Company had no shares that are available for grant under the Neos 2015 Plan.

Stock Options

Employee Stock Options:

The fair value of the options is calculated using the Black-Scholes option pricing model. In order to calculate the fair value of the options, certain assumptions are made regarding components of the model, including the estimated fair value of the underlying common stock, risk-free interest rate, volatility, expected dividend yield and expected option life. Changes to the assumptions could cause significant adjustments to valuation. Aytu estimates the expected term based on the average of the vesting term and the contractual term of the options. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for treasury securities of similar maturity. The assumptions used to estimate the fair value of the options granted under the Neos 2015 Plan were as follows:

	As of March 31, 2021
Expected volatility	100.0%
Expected term (years)	4.00
Risk-free interest rate	0.73%
Dividend yield	–

Stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding June 30, 2020	76,614	$ 19.39	9.67	$ –
Granted	69,721	–		
Forfeited/Cancelled	(7,553)	–		
Expired	(2,528)	–		
Outstanding at March 31, 2021	136,254	$ 13.14	6.12	$ –
Exercisable at March 31, 2021	20,569	$ 87.86	8.56	$ –

As of March 31, 2021, there was $0.5 million unrecognized option-based compensation expense related to non-vested stock options. The Company expects to recognize this expense over a weighted-average period of 3.3 years.

Restricted Stock

Restricted stock activity is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life in Years
Unvested at June 30, 2020	418,454	$ 14.69	6.4
Vested	(143,977)		
Unvested at March 31, 2021	274,477	$ 16.27	6.2

Under the Aytu 2015 Plan, there was $4.0 million of total unrecognized stock-based compensation expense related to the non-vested restricted stock as of March 31, 2021. The Company expects to recognize this expense over a weighted-average period of 6.2 years. The Company previously issued 158 shares of restricted stock outside the Aytu 2015 Plan, which vest in July 2026. The unrecognized expense related to these shares was $1.1 million as of March 31, 2021 and is expected to be recognized over the weighted average period of 5.3 years.

Restricted Stock Unit

On March 31, 2021, the Company granted 55,000 restricted stock units ("RSUs") to a member of its management. One-third of the RSUs that vest on April 1, 2022, and 1/12 vest on the first day of each quarter thereafter such that all the RSUs will be fully-vested on the third anniversary of the grant. The grant date fair value of $7.60 per share.

Restricted stock unit activity is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life in Years
Unvested at June 30, 2020			
Granted	90,728	$ 8.35	2.21
Vested	(2,822)		
Forfeited	(544)		
Unvested at March 31, 2021	87,362	$ 8.31	2.26

Under the Neos 2015 Plan, there was $0.6 million of total unrecognized stock-based compensation expense related to the non-vested restricted stock units as of March 31, 2021. The Company expects to recognize this expense over a weighted-average period of 2.2 years.

Stock-based compensation expense related to the fair value of stock options and restricted stock was included in the statements of operations as set forth in the table below:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Cost of sales	$ 9,000	$ –	$ 9,000	$ –
Research and development	3,000	–	3,000	–
Sales, general and administrative	1,514,000	264,000	2,473,000	591,000
Total stock-based compensation expense	$ 1,526,000	$ 264,000	$ 2,485,000	$ 591,000

As of March 31, 2021, the Company recorded a liability of $0.1 million in accrued expense for the share-based payment to certain departing officers.

The stock-based compensation expense included in the table above is attributable to stock options and restricted stock of $0.1 million and $1.3 million, respectively, for the three months ended March 31, 2021 and $0.3 million and $2.1 million, respectively, for the nine months ended March 31, 2021. The stock-based compensation expense included in the table above is attributable to stock options and restricted stock of $7,000 and $0.3 million, respectively, for the three months ended March 31, 2020 and $14,000 and $0.6 million, respectively, for the nine months ended March 31, 2020.

Note 13 - Warrants

9 Months Ended
Mar. 31, 2021

Notes to Financial Statements
Warrants or Rights Disclosure [Text Block]

13. Warrants

In July 2020, the Company issued 92,302 shares of warrants with a weighted average exercise price of $15.99 in connection with the March Offerings. The warrants have a term of one year from the issuance date. These warrants have a fair value of $356,000 and are classified within stockholders' equity.

On December 15, 2020, the Company issued 311,458 shares of warrants with an exercise price of $7.50 in connection with the December 15, 2020 offering. These warrants have a fair value of approximately $1.3 million and are classified within stockholders' equity.

A summary of equity-based warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Outstanding June 30, 2020	2,288,528	$ 30.26	2.00
Warrants issued	403,760		
Warrants expired	(1,434,763)		
Outstanding March 31, 2021	1,257,525	$ 41.42	3.05

Note 14 - Net Loss Per Common Share

Notes to Financial Statements

Earnings Per Share [Text Block]

9 Months Ended
Mar. 31, 2021

14. Net Loss per Common Share

Basic income (loss) per common share is calculated by dividing the net income (loss) available to the common shareholders by the weighted average number of common shares outstanding during that period. Diluted net loss per share reflects the potential of securities that could share in the net loss of the Company. For each three-month period presented, the basic and diluted loss per share were the same for 2020 and 2019, as they were not included in the calculation of the diluted net loss per share because they would have been anti-dilutive.

The following table sets-forth securities that could be potentially dilutive, but as of March 31, 2021 and 2020 are anti-dilutive, and therefore excluded from the calculation of diluted earnings per share.

		As of March 31,	
		2021	**2020**
Warrants to purchase common stock - liability classified		24,105	24,105
Warrant to purchase common stock - equity classified	(Note 13)	1,257,525	3,098,604
Employee stock options	(Note 12)	136,254	33,844
Employee unvested restricted stock	(Note 12)	274,635	334,423
Employee unvested restricted stock units	(Note 12)	87,362	–
Convertible preferred stock	(Note 11)	–	980,584
Total		1,779,881	4,471,560

Note 15 - Debt

9 Months Ended
Mar. 31, 2021

Notes to Financial Statements
Debt Disclosure [Text Block]

15. Debt

The Aytu BioPharma Note. On February 27, 2020, the Company issued a $0.8 million promissory note (the "Note") and received consideration of approximately $0.6 million. The Note had an eight-month term with principal and interest payable on November 1, 2020, and the recognition of approximately $0.2 million of debt discount related to the issuance of promissory notes. The discount was amortized over the life of the promissory notes through the fourth quarter of calendar 2020. During the three and nine-months ended months ended March 31, 2021 and 2020 the Company recorded approximately $15,000 and $70,000, respectively, of related amortization. On December 10, 2020, the Company agreed to exchange the Note for 130,081 shares of the Company's common stock in lieu of $0.8 million in cash that would otherwise have been due to satisfy this obligation on March 31, 2021. As a result of this exchange, the Company recognized a non-cash loss of approximately $0.3 million during the nine months ended March 31, 2021.

The Innovus Notes. On January 9, 2020, prior to the completion of the merger, Innovus Pharmaceuticals, Inc., entered into a note agreement upon which it received gross proceeds of $0.4 million with a principal amount of $0.5 million. The note requires twelve equal monthly payments of approximately $45,000. As of March 31, 2021, the balance of the note has been paid.

The Neos Revolving Loans. On October 2, 2019, Neos entered into a senior secured credit agreement with Encina Business Credit, LLC ("Encina") as agent for the lenders (the "Loan Agreement"). Under the Loan Agreement, Encina will extend up to $25.0 million in secured revolving loans to Neos (the "Revolving Loans"), of which up to $2.5 million may be available for short-term swingline loans, against 85% of eligible accounts receivable. The Revolving Loans bear variable interest through maturity at the one-month London Interbank Offered Rate ("LIBOR"), plus an applicable margin of 4.50%. In addition, Neos is required to pay an unused line fee of 0.50% of the average unused portion of the maximum revolving facility amount during the immediately preceding month. Interest is payable monthly in arrears, upon a prepayment of a loan and on the maturity date. The maturity date under the Loan Agreement is May 11, 2022.

In the event that, for any reason, all or any portion of the lender's commitment to make revolving loans is terminated prior to the scheduled maturity date, in addition to the payment of the principal amount and all unpaid accrued interest and other amounts due thereon, Neos is required to pay to the lender a prepayment fee equal to (i) 1.0% of the revolving loan commitment if such event occurs on or before October 2, 2021, and (ii) 0.5% of the revolving loan commitment if such event occurs after October 2, 2021 but before May 11, 2022. Neos may permanently terminate the revolving loan facility by prepaying all outstanding principal amounts and all unpaid accrued interest and other amounts due thereon, subject to at least five business days prior notice to the lender and the payment of a prepayment fee as described above.

The Agreement contains customary affirmative covenants, negative covenants and events of default, as defined in the Loan Agreement, including covenants and restrictions that, among other things, require Neos to satisfy certain capital expenditure and other financial covenants, and restrict Neos' ability to incur liens, incur additional indebtedness, engage in mergers and acquisitions or make asset sales without the prior written consent of the Lenders. A failure to comply with these covenants could permit the Lenders to declare Neos' obligations under the Loan Agreement, together with accrued interest and fees, to be immediately due and payable, plus any applicable additional amounts relating to a prepayment or termination, as described above. Neos evaluated to determine if the embedded components in the agreement qualified as derivatives requiring separate recognition.

In connection with the closing of the Neos Merger, Neos and Encina entered into a Consent, Waiver and First Amendment to the Loan Agreement, dated as of March 19, 2021 (the "Encina Consent, Waiver and Amendment"). Pursuant to the Consent, Waiver and First Amendment, Encina (i) irrevocably waives the right to impose the default rate of interest solely to the extent resulting from the inclusion of a "going concern" qualification in the audited financial statements of Neos on a consolidated basis for the fiscal year ending December 31, 2020 (the "Specified Default), (ii) the right to impose the Default Rate of interest under Section 3.1 of the Loan Agreement, or to collect interest accruing at such Default Rate that Lenders had a lawful right to collect or apply with respect to any such Specified Default, and (iii) makes certain other modifications to the Encina Loan Agreement to reflect the consummation of the Neos Merger and the status of Neos as a wholly-owned subsidiary of Aytu, in each case subject to the terms and conditions of the Encina Consent, Waiver and Amendment.

Total interest expense was $28,000 for the period beginning March 20, 2021 and ended March 31, 2021. As of March 31, 2021, $4.7 million borrowing was outstanding under the Revolving Loan and Neos was in compliance with the covenants under the Loan Agreement as amended.

The Neos Senior Secured Credit Facility. On May 11, 2016, Neos entered into a $60.0 million senior secured credit facility (the "Facility") with Deerfield Private Design Fund III, L.P. (66 2/3% of Facility) and Deerfield Partners, L.P. (33 1/3% of Facility) (collectively, "Deerfield"). As of March 19, 2021, remaining principal on the Facility was $15.6 million, with $0.6 million due on April 11, 2021 and with a final payment of principal, interest and all other obligations under the Facility due May 11, 2022. Interest is due quarterly beginning in June 2021, at a rate of 12.95% per year. Borrowings under the Facility are collateralized by substantially all of Neos' assets, except assets under finance lease. The terms of the Facility require Neos to maintain cash on deposit of not less than $5.0 million.

Long-term debt consists of the following;

March 31,2021

Senior secured credit facility, due on May 11, 2022	$ 15,625,000
Exit fee	1,000,000
Unamortized premium	724,000
Financing leases, maturing through May 2024	307,000
Total debt	17,656,000
Less: current portion	(725,000)
Long-term debt	$ 16,931,000

In connection with the Neos Merger, Neos and Deerfield entered into a Consent, Waiver and Sixth Amendment to the Facility, dated as of March 19, 2021 (the "Deerfield Consent, Waiver and Amendment"). Pursuant to the Consent, Waiver and Sixth Amendment, Deerfield (i) consented to certain amendments to the Encina loan documents, (ii) irrevocably waive the Going Concern Conditions as described in the Deerfield Consent, Waiver and Amendment and their right to impose the default rate of interest as provided for in the Facility as of May 11, 2016, or to collect interest accruing at such default rate of interest, that the Lenders had a lawful right to collect or apply with respect to any such Event of Default for failure to satisfy such Going Concern Condition, (iii) subject the Company and its subsidiaries to certain restrictive covenants including limitations on the incurrence of debt, granting of liens and transfers of assets of the Company and its subsidiaries and (iv) makes certain other modifications to the Facility to reflect the consummation of the Neos Merger and the status of Neos as a wholly-owned subsidiary of the Company. Such modifications also include the prepayment of $15.0 million by the Company of the principal of the loan that was otherwise due on May 11, 2021 plus any accrued interest thereon through March 19, 2021, plus a make-whole payment equal to the interest that would otherwise have been due on that $15.0 million for the period beginning March 19, 2021 through May 11, 2021. The Sixth Amendment also eliminated the right of Deerfield to convert outstanding amounts of the loans into conversion shares and the right of Neos to make payments to Deerfield in the form of shares of common stock. The Company is a guarantor under the Facility.

Pursuant to the terms of the Facility, as amended, the $15.0 million principal prepayment was paid in cash on March 19, 2021, and the carrying amount of the remaining outstanding debt was $16.6 million. As the Neos Merger was accounted for as a business combination under Topic 805, Neos evaluated and determined that the fair value of the remaining outstanding debt was $17.4 million as of March 20, 2021. Accordingly, Neos recorded a premium of $0.8 million, which is the difference between carrying amount and the fair value of the debt and is being amortized into interest expense using the effective interest method over the remaining term of the debt. As of March 31, 2021, the Company was in compliance with the covenants under the Facility as amended. Total interest expense on the Facility, net of premium amortization, was $46,000 for the period beginning March 20, 2021 and ended March 31, 2021.

Future principal payments of long-term debt, including financing leases, are as follows:

	March 31,2021
2021	$ 650,000
2022	16,102,000
2023	96,000
2024	84,000
Future principal payments	16,932,000
Add unamortized premium	724,000
Less current portion	(725,000)
Long-term debt	$ 16,931,000

Note 16 - Segment Reporting

9 Months Ended
Mar. 31, 2021

Notes to Financial Statements

Segment Reporting Disclosure [Text Block]

16. Segment reporting

The Company's chief operating decision maker (the "CODM"), who is the Company's Chief Executive Officer, allocates resources and assesses performance based on financial information of the Company. The CODM reviews financial information presented for each reportable segment for purposes of making operating decisions and assessing financial performance.

The Company manages and aggregates its operational and financial information in accordance with two reportable segments: Aytu BioPharma and Aytu Consumer Health. The Aytu BioPharma segment consists of the Company's prescription products. The Aytu Consumer Health segment contains the Company's consumer healthcare products. The inclusion of the prescription product due to the Neos Merger is preliminary and subject to further evaluation as the Company begins to integrate Neos into the Company's operations.

Select financial information for these segments is as follows:

	Three months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Consolidated revenue:				
Aytu BioPharma	$ 5,127,000	$ 4,703,000	$ 18,091,000	$ 9,318,000
Aytu Consumer Health	8,355,000	3,453,000	24,059,000	3,453,000
Consolidated revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000
Consolidated net loss:				
Aytu BioPharma	$ (23,570,000)	$ (4,421,000)	$ (34,788,000)	$ (9,565,000)
Aytu Consumer Health	(1,890,000)	(911,000)	(4,503,000)	(911,000)
Consolidated net loss	$ (25,460,000)	$ (5,332,000)	$ (39,291,000)	$ (10,476,000)

	As of March 31, 2021	As of June 30, 2020
Total assets:		
Aytu BioPharma	$ 241,593,000	$ 126,267,000
Aytu Consumer Health	29,964,000	27,026,000
Total assets	$ 271,557,000	$ 153,293,000

Note 17 - License Agreements

Notes to Financial Statements

Licensing Agreements [Text Block]

9 Months Ended
Mar. 31, 2021

17. License agreements

In October 2018, Neos entered into an Exclusive License Agreement ("NeuRx License") with NeuRx Pharmaceuticals LLC ("NeuRx"), pursuant to which NeuRx granted Neos an exclusive, worldwide, royalty-bearing license to research, develop, manufacture, and commercialize certain pharmaceutical products containing NeuRx's proprietary compound designated as NRX-101, referred to by Neos as NT0502. NT0502 is a new chemical entity that is being developed by Neos for the treatment of sialorrhea, which is excessive salivation or drooling. Under the NeuRx License, Neos made an upfront payment of $0.2 million to NeuRx upon the execution of the agreement. Neos made a payment of $0.2 million following receipt of notice of allowance of the first Licensed Patent by the United States Patent and Trademark Office ("USPTO"), as defined in the NeuRx License. Such Licensed Patent subsequently was issued by the USPTO. In April 2020, Neos met the completion of the first Pilot PK Study milestone, as defined in the NeuRx License, triggering the cash payment of $0.3 million. Neos may in the future be required to make certain development and milestone payments and royalties based on annual net sales, as defined in the NeuRx License. Royalties are to be paid on a country-by-country and licensed product-by-licensed product basis, during the period of time beginning on the first commercial sale of such licensed product in such country and continuing until the later of: (i) the expiration of the last-to-expire valid claim in any licensed patent in such country that covers such licensed product in such country; and/or (ii) expiration of regulatory exclusivity of such licensed product in such country.

Under the Teva Licensing Agreement, Neos granted Teva a non-exclusive license to certain patents owned by Neos by which Teva has the right to manufacture and market its generic version of Cotempla XR-ODT under its ANDA beginning on July 1, 2026, or earlier under certain circumstances. The Teva Licensing Agreement has been submitted to the applicable governmental agencies.

Under the Actavis Licensing Agreement, Neos granted Actavis a non-exclusive license to certain patents owned by Neos by which Actavis has the right to manufacture and market its generic version of Adzenys XR-ODT under its ANDA beginning on September 1, 2025, or earlier under certain circumstances. The Actavis Licensing Agreement has been submitted to the applicable governmental agencies.

In July 2014, Neos entered into a Settlement Agreement and an associated License Agreement (the "2014 License Agreement") with Shire LLC ("Shire") for a non-exclusive license to certain patents for certain activities with respect to Neos' New Drug Application (the "NDA") No. 204326 for an extended-release orally disintegrating amphetamine polistirex tablet. In accordance with the terms of the 2014 License Agreement, following the receipt of the approval from the FDA for Adzenys XR-ODT, Neos paid a lump sum, non-refundable license fee of an amount less than $1.0 million in February 2016. Neos is paying a single digit royalty on net sales of Adzenys XR-ODT during the life of the patents.

In March 2017, Neos entered into a License Agreement (the "2017 License Agreement") with Shire, pursuant to which Shire granted Neos a non-exclusive license to certain patents owned by Shire for certain activities with respect to Neos' NDA No. 204325 for an extended-release amphetamine oral suspension. In accordance with the terms of the 2017 License Agreement, following the receipt of the approval from the FDA for Adzenys ER, Neos paid a lump sum, non-refundable license fee of an amount less than $1.0 million in October 2017. Neos is paying a single digit royalty on net sales of Adzenys ER during the life of the patents.

The royalties are recorded as cost of goods sold in the same period as the net sales upon which they are calculated.

Additionally, each of the 2014 and 2017 License Agreements contains a covenant from Shire not to file a patent infringement suit against Neos alleging that Adzenys XR-ODT or Adzenys ER, respectively, infringes the Shire patents.

Note 18 - Related Party Transactions

Notes to Financial Statements

Related Party Transactions Disclosure [Text Block]

9 Months Ended
Mar. 31, 2021

18. Related party Transactions

Tris Pharma, Inc.

On November 2, 2018, the Company entered into a License, Development, Manufacturing and Supply Agreement (the “Tris License Agreement”). On November 1, 2019, the Company acquired the rights to Karbinal as a result of the acquisition of the Pediatric Portfolio from Cerecor, Inc. (See Notes 2 and 10). Mr. Ketan Mehta served as a Director on the Board of Directors of the Company and is also the Chief Executive Officer of Tris Pharma, Inc. ("TRIS"). The Company paid TRIS approximately $0.9 million and $0 million during the three months ended March 31, 2021 and 2020, respectively for a combination of royalty payments, inventory purchases and other payments as contractually required. The Company's liabilities, including accrued royalties, contingent consideration and fixed payment obligations were $22.8 million and $25.0 million as of March 31, 2021 and 2020, respectively. In October 2020, the Company paid Tris approximately $1.6 million related to its Karbinal fixed payment obligation. On March 19, 2021, Mr. Ketan Mehta resigned as a Director on the Board of the Company, and TRIS will no longer be considered a related party in the future.

Note 19 - Subsequent Events

9 Months Ended
Mar. 31, 2021

Notes to Financial Statements

Subsequent Events [Text Block]

19. Subsequent Events

On April 12, 2021, the Company, Rumpus VEDS, LLC, Rumpus Therapeutics, LLC, Rumpus Vascular, LLC (together with Rumpus VEDS, LLC and Rumpus Therapeutics, LLC, the "Sellers"), Christopher Brooke and Nathaniel Massari entered into and closed on an asset purchase agreement (the "Purchase Agreement"), pursuant to which the Company acquired certain rights and other assets, including key commercial licenses, relating to Enzastaurin and to Sellers' business of developing pharmaceutical products from the Sellers for $1.5 million in cash and, upon the achievement of certain regulatory and commercial milestones, up to $67.5 million in earn-out payments (the "Earn-Out Payments"). The Earn-Out Payments are payable in cash or shares of common stock of the Company, generally at the Company's option. The shares of common stock will be issued under the Company's Acquisition Shelf on Form S-4 (SEC File No. 333-239011).

On May 17, 2021, Ms. Beth Hecht and Mr. Jerry McLaughlin, announced their resignation from the board of directors effective immediately. Ms. Hecht and Mr. McLaughlin will not run for election as members of the Company's board of directors at the next annual stockholder meeting of the Company, which is currently scheduled to take place on May 21, 2021 and the Company will disseminate additional proxy soliciting materials to its stockholders to announce this resignation.

Significant Accounting Policies (Policies)	9 Months Ended Mar. 31, 2021
Accounting Policies [Abstract]	
Basis of Accounting, Policy [Policy Text Block]	***Basis of Presentation.*** The unaudited condensed consolidated financial statements contained in this report represent the financial statements of the Company and its wholly-owned subsidiaries, Innovus Pharmaceuticals, Inc., Aytu Therapeutics, LLC and Neos Therapeutics, Inc. The unaudited consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2020, which included all disclosures required by generally accepted accounting principles in the United States ("GAAP"). In the opinion of management, these unaudited consolidated financial statements contain all adjustments necessary to present fairly the financial position of the Company and the results of operations and cash flows for the interim periods presented. The results of operations for the period ended March 31, 2021 are not necessarily indicative of expected operating results for the full year. The information presented throughout this report, as of March 31, 2021 and for the three and nine months ended March 31, 2021, and 2020, is unaudited. On December 8, 2020, the Company effected a reverse stock split in which each common stockholder received one share of common stock for every 10 shares held (herein referred to collectively as the "Reverse Stock Split"). All share and per share amounts in this report have been adjusted to reflect the effect of the Reverse Stock Split.
Use of Estimates, Policy [Policy Text Block]	**Use of Estimates** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent consideration, contingent value rights ("CVRs"), and fixed payment obligations at the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to the determination of the fair value of equity awards, the fair value of identified assets and liabilities acquired in business combinations, net realizable value of inventory, the useful lives of property and equipment, intangible assets, impairment of long-lived and intangible assets, including goodwill, provisions for doubtful accounts receivable, certain accrued expenses, and the discount rate used in measuring lease liabilities. These estimates and assumptions are based on the Company's historical results and management's future expectations. Actual results could differ from those estimates.
Reclassification, Comparability Adjustment [Policy Text Block]	**Reclassification** The Company historically presented accrued distributor fees as a reduction to accounts receivable. However, beginning this quarterly report and for the comparative periods presented, accrued distributors fees will be presented in accrued liabilities instead of accounts receivable. As of June 30, 2020, accrued distributor fees included in accounts receivable, net on the balance sheet was $457,000. This reclassification will have no impact on the Company's statements of operation and cash flows presented in this quarterly report.
New Accounting Pronouncements, Policy [Policy Text Block]	***Adoption of New Accounting Pronouncements*** ***Fair Value Measurements ("ASU 2018-13").*** In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820) Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement." The amendments in the standard apply to all entities that are required, under existing GAAP, to make disclosures about recurring or nonrecurring fair value measurements. ASU 2018-13 removes, modifies, and adds certain disclosure requirements in ASC 820, Fair Value Measurement. The standard is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the

most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The Company adopted this as of July 1, 2020, the beginning of the Company's fiscal year-ended June 30, 2021. The most relevant component of ASU 2018-13 to the Company's financial statements relates to the need to disclose the range and weighted-average of significant unobservable inputs used in Level 3 fair value measurements. However, the Company discloses on a discrete basis all significant inputs for all Level 3 Fair Value measurements.

Recent Accounting Pronouncements

Financial Instruments – Credit Losses ("ASU 2016-13"). In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses" to require the measurement of expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable forecasts. The main objective of this ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The standard was effective for interim and annual reporting periods beginning after December 15, 2019. However, in October 2019, the FASB approved deferral of the adoption date for smaller reporting companies for fiscal periods beginning after December 15, 2022. Accordingly, the Company's fiscal year of adoption will be the fiscal year ended June 30, 2024. Early adoption is permitted for interim and annual reporting periods beginning after December 15, 2018, but the Company did not elect to early adopt. The Company is currently assessing the impact that ASU 2016-13 will have on its consolidated financial statements, but no conclusion has been reached.

This Quarterly Report on Form 10-Q does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to the Company's financial condition, results of operations, cash flows or disclosures.

Note 2 - Acquisitions (Tables)

Notes Tables

Schedule of Recognized Identified Assets Acquired and Liabilities Assumed [Table Text Block]

9 Months Ended
Mar. 31, 2021

	As of November 1, 2019
Consideration	
Cash and cash equivalents	$ 4,500,000
Fair value of Series G Convertible Preferred Stock	
Total shares issued	9,805,845
Estimated fair value per share of Aytu common stock	$ 0.567
Estimated fair value of equity consideration transferred	5,559,914
Total consideration transferred	$ 10,059,914
Recognized amounts of identifiable assets acquired and liabilities assumed	
Inventory	$ 459,123
Prepaid assets	1,743,555
Other current assets	2,525,886
Intangible assets - product marketing rights	22,700,000
Accrued liabilities	(300,000)
Accrued product program liabilities	(6,683,932)
Assumed fixed payment obligations	$ (29,837,853)
Total identifiable net assets	(9,393,221)
Goodwill	$ 19,453,135

	As of February 14, 2020
Consideration	
Fair Value of Aytu Common Stock	
Total shares issued at close	3,810,393
Estimated fair value per share of Aytu common stock	$ 0.756
Estimated fair value of equity consideration transferred	$ 2,880,581
Fair value of Series H Convertible Preferred Stock	
Total shares issued	1,997,736
Estimated fair value per share of Aytu common stock	$ 0.756
Estimated fair value of equity consideration transferred	$ 1,510,288
Fair value of former Innovus warrants	$ 15,315
Fair value of Contingent Value Rights	7,049,079
Forgiveness of Note Payable owed to the Company	1,350,000
Total consideration transferred	$ 12,805,263

	As of February 14, 2020
Total consideration transferred	$ 12,805,263
Recognized amounts of identified assets acquired and liabilities assumed	
Cash and cash equivalents	$ 390,916
Accounts receivable	278,826
Inventory	1,149,625
Prepaid expenses and other current assets	1,692,133
Other long-term assets	36,781
Right-to-use assets	328,410
Property, plant and equipment	190,393
Trademarks and patents	11,744,000
Accounts payable and accrued other expenses	(7,202,309)
Other current liabilities	(629,601)
Notes payable	(3,056,361)
Lease liability	(754,822)
Total identifiable net assets	$ 4,167,991
Goodwill	$ 8,637,272

	As of March 19, 2021
Considerations:	
Fair Value of Aytu Common Stock	
Total shares issued at close	5,471,804
Estimated fair value per share of Aytu common stock	$ 9.73
Estimated fair value of equity consideration transferred	$ 53,240,653
Cash	15,383,104
Estimated fair value of replacement equity awards	432,289
Total consideration transferred	$ 69,056,046

	As of

	March 19, 2021
Total consideration transferred	$ 69,056,046
Recognized amounts of identified assets acquired and liabilities assumed	
Cash and cash equivalents	$ 15,721,797
Accounts receivable	24,695,527
Inventory	10,984,055
Prepaid expenses and other current assets	2,929,457
Operating leases right-to-use assets	3,515,141
Property, plant and equipment	5,518,801
Intangible assets	56,530,000
Other long-term assets	148,931
Accounts payable and accrued expenses	(56,718,159)
Short-term line of credit	(10,707,115)
Long-term debt, including current portion	(17,677,954)
Operating lease liabilities	(3,515,141)
Other long-term liabilities	(81,523)
Total identifiable net assets	$ 31,343,817
Goodwill	$ 37,712,229

Finite-Lived and Indefinite-Lived Intangible Assets Acquired as Part of Business Combination [Table Text Block]

	As of March 19, 2021
Identified intangible assets acquired:	
Developed technology right	$ 30,200,000
Developed products technology	22,700,000
In-process R&D	2,600,000
RxConnect	630,000
Trade name	400,000
Total intangible assets acquired	$ 56,530,000

Business Acquisition, Pro Forma Information [Table Text Block]

	Three Months Ended		Nine Months Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Actual (Unaudited) (dd)	Pro forma (Unaudited) (aa) (bb)	Actual (Unaudited) (dd)	Pro forma (Unaudited) (cc)
Total revenues, net	$ 22,250,543	$ 24,824,477	$ 74,582,036	$ 83,141,373
Net (loss)	$ (32,674,710)	$ (13,800,554)	$ (55,711,884)	$ (31,686,745)
Net (loss) per share (ee)	$ (1.41)	$ (3.91)	$ (2.71)	$ (14.01)

Note 3 - Revenue Recognition (Tables)

9 Months Ended
Mar. 31, 2021

Notes Tables

Revenue from External Customers by Geographic Areas [Table Text Block]

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
U.S.	$ 12,344,000	$ 7,273,000	$ 38,245,000	$ 11,582,000
International	1,138,000	883,000	3,905,000	1,189,000
Total net revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000

Disaggregation of Revenue [Table Text Block]

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Primary care and devices portfolio	$ 1,209,000	$ 870,000	$ 8,339,000	$ 3,500,000
Pediatric portfolio	3,918,000	3,833,000	9,752,000	5,818,000
Consumer Health portfolio	8,355,000	3,453,000	24,059,000	3,453,000
Consolidated revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000

Note 4 - Inventories (Tables)

9 Months Ended
Mar. 31, 2021

Notes Tables

Schedule of Inventory, Current [Table Text Block]

	As of March 31, 2021	As of June 30, 2020
Raw materials	$ 2,583,000	$ 397,000
Work in process	3,181,000	–
Finished goods	10,812,000	9,603,000
Inventory	$ 16,576,000	$ 10,000,000

Note 5 - Fixed Assets (Tables)

9 Months Ended Mar. 31, 2021

Notes Tables

Property, Plant and Equipment [Table Text Block]

	Estimated Useful Lives in years	As of March 31, 2021	As of June 30, 2020
Manufacturing equipment	2 - 7	$ 3,072,000	$ 112,000
Leasehold improvements	3	1,259,000	229,000
Office equipment, furniture and other	2 - 7	966,000	312,000
Lab equipment	3 - 7	646,000	90,000
Assets under construction		186,000	–
Less accumulated depreciation and amortization		(571,000)	(484,000)
Fixed assets, net		$ 5,558,000	$ 259,000

Note 6 - Leases, Right-to-use Assets and Related Liabilities (Tables)

9 Months Ended

Mar. 31, 2021

Notes Tables

Lease, Cost [Table Text Block]

	Three Months Ended March 31,		Nine Months Ended March 31,		
	2021	2020	2021	2020	Statement of Operations Classification
Lease cost:					
Operating lease cost	$ 69,000	$ 27,000	$ 128,000	$ 72,000	Operating expenses
Short-term lease cost	7,000	–	7,000	–	Operating expenses
Finance lease cost:					
Amortization of leased assets	19,000	–	19,000	–	Cost of sales
Interest on lease liabilities	1,000	–	1,000	–	Other (expense), net
Total net lease cost	$ 96,000	$ 27,000	$ 155,000	$ 72,000	

Assets and Liabilities, Lessee [Table Text Block]

	March 31, 2021	June 30, 2020	Balance Sheet Classification
Assets:			
Operating lease assets	$ 3,782,000	$ 634,000	Operating lease right-of-use asset
Finance lease assets	347,000	–	Fixed assets, net
Total leased assets	$ 4,129,000	$ 634,000	
Liabilities:			
Current:			
Operating leases	$ 911,000	$ 300,000	Current portion of operating lease liabilities
Finance leases	100,000	–	Current portion of debt
Long-term			
Operating leases	2,872,000	725,000	Long-term operating lease liabilities, net of current portion
Finance leases	207,000	-	Long-term debt, net of current portion
Total lease liabilities	$ 4,090,000	$ 1,025,000	

Lessee, Lease Information [Table Text Block]

	March 31, 2021	June 30, 2020
Weighted-Average Remaining Lease Term (years)		
Operating lease assets	3.67	3.33
Finance lease assets	2.96	–
Weighted-Average Discount Rate		
Operating lease assets	6.62%	8.09%
Finance lease assets	6.40%	–

Lessee, Leases, Cash Flow Information [Table Text Block]

	Nine Months Ended March 31,	
	2021	2020
Cash flow classification of lease payments:		
Operating cash flows from operating leases	$ 128,000	$ 72,000
Operating cash flows from finance leases	$ 1,000	$ -

Lessee, Lease Liability, Maturity [Table Text Block]

	Operating	Finance
2021 (remaining 3 months)	$ 281,000	$ 29,000
2022	1,154,000	117,000
2023	1,182,000	105,000
2024	1,117,000	88,000
2025	557,000	–
Total lease payments	4,291,000	339,000
Less: Imputed interest	(508,000)	(32,000)
Lease liabilities	$ 3,783,000	$ 307,000

Note 7 - Intangible Assets (Tables)

9 Months Ended Mar. 31, 2021

Notes Tables

Schedule of Finite-Lived Intangible Assets [Table Text Block]

	March 31, 2021				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Weighted-Average Remaining Life (in years)
Licensed assets	$ 23,649,000	$ (8,768,000)	$ (4,286,000)	$ 10,595,000	15.15
Acquired product technology right	45,400,000	(3,259,000)	–	42,141,000	13.37
Acquired technology right	30,200,000	(57,000)	–	30,143,000	16.97
Acquired product distribution rights	11,354,000	(1,697,000)	–	9,657,000	7.03
Acquired in-process R&D	2,600,000	-	–	2,600,000	Indefinite-lived
Acquired commercial technology	630,000	(20,000)	–	610,000	1.97
Acquired trade name	400,000	(6,000)	–	394,000	0.97
Acquired customer lists	390,000	(293,000)	–	97,000	0.37
Total	$ 114,623,000	$ (14,100,000)	$ (4,286,000)	$ 96,237,000	13.56

	June 30, 2020				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Weighted-Average Remaining Life (in years)
Licensed assets	$ 23,649,000	$ (7,062,000)	$ –	$ 16,587,000	11.88
MiOXSYS Patent	380,000	(185,000)	(195,000)	–	–
Acquired product technology right	22,700,000	(1,513,000)	–	21,187,000	9.34
Acquired product distribution rights	11,354,000	(565,000)	–	10,789,000	7.78
Acquired customer lists	390,000	(98,000)	–	292,000	1.12
Total	$ 58,473,000	$ (9,423,000)	$ (195,000)	$ 48,855,000	9.11

Finite-lived Intangible Assets Amortization Expense [Table Text Block]

	Amortization
2021 (remaining 3 months)	$ 2,234,500
2022	8,529,000
2023	7,981,000
2024	7,825,000
2025	7,591,000
Thereafter	59,476,500
Total future amortization expense	$ 93,637,000

Note 8 - Accrued Liabilities (Tables)

9 Months Ended Mar. 31, 2021

Notes Tables

Schedule of Accrued Liabilities [Table Text Block]

	As of March 31, 2021	As of June 30, 2020
Accrued settlement expense	$ 150,000	$ 315,000
Accrued program liabilities	7,836,000	959,000
Accrued product-related fees	2,379,000	2,471,000
Accrued savings offers	19,218,000	–
Accrued distributor fees	2,816,000	457,000
Credit card liabilities	657,000	510,000
Medicaid liabilities	1,948,000	1,842,000
Return reserve	5,592,000	1,329,000
Sales taxes payable	182,000	175,000
Other accrued liabilities*	2,404,000	588,000
Total accrued liabilities	$ 43,182,000	$ 8,646,000

Note 9 - Fair Value Considerations (Tables)

9 Months Ended Mar. 31, 2021

Notes Tables

Fair Value, Liabilities Measured on Recurring Basis [Table Text Block]

	Fair Value at March 31, 2021	Fair Value Measurements at March 31, 2021: Quoted Priced in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring:				
Contingent consideration	$ 14,904,000	$ –	$ –	$ 14,904,000
CVR liability	5,591,000	–	–	5,591,000
Total	$ 20,495,000	$ –	$ –	$ 20,495,000

	Fair Value at June 30, 2020	Fair Value Measurements at June 30, 2020: Quoted Priced in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring:				
Contingent consideration	$ 13,588,000	$ –	$ –	$ 13,588,000
CVR liability	5,572,000)	–	–	5,572,000)
Total	$ 19,160,000	$ –	$ –	$ 19,160,000

Fair Value, Liabilities Measured on Recurring Basis, Unobservable Input Reconciliation [Table Text Block]

	CVR Liability	Contingent Consideration
Balance as of June 30, 2020	$ 5,572,000	$ 13,588,000
Included in earnings	1,019,000	1,999,000
Settlements	(1,000,000)	(683,000)
Balance as of March 31, 2021	$ 5,591,000	$ 14,904,000

Fair Value Measurement Inputs and Valuation Techniques [Table Text Block]

	As of March 31, 2021
Contingent Consideration	
Credit risk assumption	20.80%
Sales volatility	45.00%
Credit spread	3.00%
Time steps per year	1
Number of iterations	500

	As of March 31, 2021
Contingent Value Rights	
Credit risk assumption	9.6%
Time steps per year	30.00
Number of iterations	10,000

Note 10 - Commitments and Contingencies (Tables)

Notes Tables

Contractual Obligation, Fiscal Year Maturity [Table Text Block]

	9 Months Ended Mar. 31, 2021						
	Total	**2021**	**2022**	**2023**	**2024**	**2025**	**Thereafter**
Prescription database	$ 1,145,000	$ 412,000	$ 733,000	$ –	$ –	$ –	$ –
Pediatric portfolio fixed payments and product minimums	15,000,000	825,000	3,300,000	3,300,000	3,300,000	3,300,000	975,000
Inventory purchase commitment	1,472,000	736,000	736,000	–	–	–	–
CVR liability	12,000,000	–	2,000,000	5,000,000	5,000,000	–	–
Product contingent liability	2,500,000	–	–	–	–	–	2,500,000
Product milestone payments	3,000,000	–	3,000,000	–	–	–	–
Total	$35,117,000	$1,973,000	$9,769,000	$8,300,000	$8,300,000	$3,300,000	$3,475,000

Note 12 - Equity Incentive Plan (Tables)

9 Months Ended Mar. 31, 2021

Notes Tables

Schedule of Share-based Payment Award, Stock Options, Valuation Assumptions [Table Text Block]

	As of March 31, 2021
Expected volatility	100.0%
Expected term (years)	4.00
Risk-free interest rate	0.73%
Dividend yield	–

Share-based Payment Arrangement, Option, Activity [Table Text Block]

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding June 30, 2020	76,614	$ 19.39	9.67	$ –
Granted	69,721	–		
Forfeited/Cancelled	(7,553)	–		
Expired	(2,528)	–		
Outstanding at March 31, 2021	136,254	$ 13.14	6.12	$ –
Exercisable at March 31, 2021	20,569	$ 87.86	8.56	$ –

Nonvested Restricted Stock Shares Activity [Table Text Block]

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life in Years
Unvested at June 30, 2020	418,454	$ 14.69	6.4
Vested	(143,977)		
Unvested at March 31, 2021	274,477	$ 16.27	6.2

Schedule of Nonvested Restricted Stock Units Activity [Table Text Block]

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life in Years
Unvested at June 30, 2020			
Granted	90,728	$ 8.35	2.21
Vested	(2,822)		
Forfeited	(544)		
Unvested at March 31, 2021	87,362	$ 8.31	2.26

Share-based Payment Arrangement, Cost by Plan [Table Text Block]

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Cost of sales	$ 9,000	$ –	$ 9,000	$ –
Research and development	3,000	–	3,000	–
Sales, general and administrative	1,514,000	264,000	2,473,000	591,000
Total stock-based compensation expense	$ 1,526,000	$ 264,000	$ 2,485,000	$ 591,000

Note 13 - Warrants (Tables)

Notes Tables

Schedule of Stockholders' Equity Note, Warrants or Rights [Table Text Block]

	9 Months Ended Mar. 31, 2021		
	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Outstanding June 30, 2020	2,288,528	$ 30.26	2.00
Warrants issued	403,760		
Warrants expired	(1,434,763)		
Outstanding March 31, 2021	1,257,525	$ 41.42	3.05

Note 14 - Net Loss Per Common Share (Tables)

9 Months Ended Mar. 31, 2021

Notes Tables

Schedule of Antidilutive Securities Excluded from Computation of Earnings Per Share [Table Text Block]

		As of March 31,	
		2021	2020
Warrants to purchase common stock - liability classified		24,105	24,105
Warrant to purchase common stock - equity classified	(Note 13)	1,257,525	3,098,604
Employee stock options	(Note 12)	136,254	33,844
Employee unvested restricted stock	(Note 12)	274,635	334,423
Employee unvested restricted stock units	(Note 12)	87,362	–
Convertible preferred stock	(Note 11)	–	980,584
Total		1,779,881	4,471,560

Note 15 - Debt (Tables)

9 Months Ended
Mar. 31, 2021

Notes Tables

Schedule of Long-term Debt Instruments [Table Text Block]

	March 31,2021
Senior secured credit facility, due on May 11, 2022	$ 15,625,000
Exit fee	1,000,000
Unamortized premium	724,000
Financing leases, maturing through May 2024	307,000
Total debt	17,656,000
Less: current portion	(725,000)
Long-term debt	$ 16,931,000

Schedule of Maturities of Long-term Debt [Table Text Block]

	March 31,2021
2021	$ 650,000
2022	16,102,000
2023	96,000
2024	84,000
Future principal payments	16,932,000
Add unamortized premium	724,000
Less current portion	(725,000)
Long-term debt	$ 16,931,000

Note 16 - Segment Reporting (Tables)

9 Months Ended Mar. 31, 2021

Notes Tables

Schedule of Segment Reporting Information, by Segment [Table Text Block]

	Three months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Consolidated revenue:				
Aytu BioPharma	$ 5,127,000	$ 4,703,000	$ 18,091,000	$ 9,318,000
Aytu Consumer Health	8,355,000	3,453,000	24,059,000	3,453,000
Consolidated revenue	$ 13,482,000	$ 8,156,000	$ 42,150,000	$ 12,771,000
Consolidated net loss:				
Aytu BioPharma	$ (23,570,000)	$ (4,421,000)	$ (34,788,000)	$ (9,565,000)
Aytu Consumer Health	(1,890,000)	(911,000)	(4,503,000)	(911,000)
Consolidated net loss	$ (25,460,000)	$ (5,332,000)	$ (39,291,000)	$ (10,476,000)

	As of March 31, 2021	As of June 30, 2020
Total assets:		
Aytu BioPharma	$ 241,593,000	$ 126,267,000
Aytu Consumer Health	29,964,000	27,026,000
Total assets	$ 271,557,000	$ 153,293,000

Note 1 - Nature of Business, Financial Condition, Basis of Presentation (Details Textual)	Mar. 19, 2021 USD ($)	Dec. 08, 2020	3 Months Ended Mar. 31, 2021 USD ($)	3 Months Ended Mar. 31, 2020 USD ($)	9 Months Ended Mar. 31, 2021 USD ($)	9 Months Ended Mar. 31, 2020 USD ($)	Jun. 30, 2020 USD ($)
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, Ending Balance			$ 46,800,000		$ 46,800,000		
Revenue from Contract with Customer, Including Assessed Tax			$ 13,482,282	$ 8,156,173	$ 42,149,561	$ 12,771,235	
Increase (Decrease) in Revenues, Percentage			65.00%		230.00%		
Net Cash Provided by (Used in) Operating Activities, Total			$ 19,700,000	$ 20,600,000	$ (19,677,832)	$ (20,609,198)	
Assets, Current, Total			100,012,751		100,012,751		$ 75,422,565
Accounts Receivable, after Allowance for Credit Loss, Current, Total			28,228,434		28,228,434		5,632,717
Accrued Liabilities, Current, Total			43,181,920		43,181,920		8,645,984
Accrued Distributor Fees, Reclassified From Accounts Receivable To Accrued Liabilities [Member]							
Accounts Receivable, after Allowance for Credit Loss, Current, Total							(457,000)
Accrued Liabilities, Current, Total							$ 457,000
Reverse Stock Split [Member]							
Stockholders' Equity Note, Stock Split, Conversion Ratio		10					
Neos Therapeutics, Inc. [Member]							
Repayments of Long-term Debt, Total	$ 15,400,000						
Payments for Merger Related Costs	$ 5,500,000						
Acerus [Member]							
Termination Agreement, Aggregate Amount			7,500,000		$ 7,500,000		
Termination Agreement, Monthly Installment Payments			$ 250,000				

Termination Agreement, Equal Monthly Installment Payment , Period (Month)	2 years 180 days

Note 2 - Acquisitions (Details Textual) - USD ($)	Mar. 31, 2021	Mar. 20, 2021	Mar. 19, 2021	Mar. 31, 2020	Mar. 20, 2020	Feb. 14, 2020	Feb. 13, 2020	Nov. 01, 2019	1 Months Ended Jan. 31, 2021	Jun. 30, 2020	Jan. 31, 2020	3 Months Ended Mar. 31, 2021	Sep. 30, 2020	Mar. 31, 2020	9 Months Ended Mar. 31, 2021	Mar. 31, 2020	12 Months Ended Jun. 30, 2020
Business Combination, Acquisition Related Costs												$ 1,536,800		$ 311,083	$ 2,849,037	$ 1,533,723	
Adjustments to Additional Paid in Capital, Stock Issued, Issuance Costs												137,735	$ 101,537	4,523,884			
Business Combination, Pro Forma Information, Revenue of Acquiree since Acquisition Date, Actual	[1]											22,250,543			74,582,036		
Business Combination, Pro Forma Information, Earnings or Loss of Acquiree since Acquisition Date, Actual	[1]											$ (32,674,710)			(55,711,884)		
Innovus Pharmaceuticals [Member]																	
Business Combination, Contingent Value Rights, First Revenue Milestone		$ 30,000,000		$ 24,000,000										24,000,000		24,000,000	
Innovus Pharmaceuticals [Member]																	
Business Acquisition, Equity Interest Issued or Issuable, Number of Shares (in shares)						380,000											
Business Combination, Consideration Transferred, Contingent Value Rights						$ 16,000,000											
Noncontrolling Interest, Ownership Percentage by Parent							100.00%										
Neos Therapeutics, Inc. [Member]																	
Noncontrolling Interest, Ownership Percentage by Parent			100.00%														
Adjustments to Additional Paid in Capital, Stock Issued, Issuance Costs			$ 100,000														
Series H Preferred Stock [Member] | Innovus Pharmaceuticals [Member]																	
Stock Issued During Period, Shares, Exercise of Warrants (in shares)						200,000											
The Pediatric Portfolio [Member]																	
Payments to Acquire Businesses, Gross								$ 4,500,000									
Business Acquisition, Equity Interest Issued or Issuable, Number of Shares (in shares)								9,805,845									
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Liabilities, Minimum Annual Royalties								$ 2,100,000									
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total								$ 22,700,000									
Finite-Lived Intangible Asset, Useful Life (Year)								10 years									
The Pediatric Portfolio [Member] | Minimum [Member]																	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Liabilities, Royalty Payments, Percentage of Revenues								12.00%									
The Pediatric Portfolio [Member] | Maximum [Member]																	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Liabilities, Royalty Payments, Percentage of Revenues								15.00%									
The Pediatric Portfolio [Member] | Cerecor, Inc. [Member]																	

Business Combination, Consideration Transferred, Liabilities Incurred, Medicaid Rebates							$ 2,700,000								
Business Combination, Consideration Transferred, Liabilities Incurred, Product Returns							800,000								
Business Combination, Consideration Transferred, Liabilities Incurred							3,500,000								
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Liabilities, Fixed and Variable Payments to Investor							25,600,000								
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Current Liabilities, Fixed Monthly Payments to Investor							$ 100,000								
Payments for Fixed Obligations to Investor								$ 15,000,000	$ 15,000,000						
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Monthly Variable Payments to Investor, Percentage of Revenues							15.00%								
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Liabilities, Monthly Minimum Variable Payments to Investor							$ 100,000								
Payments for Variable Monthly Obligation to Investor										$ 200,000					
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Liabilities, Variable Payments to Investor							$ 9,500,000								
The Pediatric Portfolio [Member] | Series G Preferred Stock [Member]															
Business Acquisition, Equity Interest Issued or Issuable, Number of Shares (in shares)							980,000								
Innovus Pharmaceuticals [Member]															
Business Acquisition, Equity Interest Issued or Issuable, Number of Shares (in shares)					3,810,393										
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total					$ 11,744,000	$ 11,700,000									
Business Combination, Consideration Transferred, Contingent Value Rights					7,049,079										
Stock Issued During Period, Shares, Contingent Value Rights (in shares)		103,000	120,000	103,000							120,000				
Stock Issued During Period, Value, Contingent Value Rights		$ 1,000,000	$ 2,000,000	$ 1							$ 1,000,000				
Business Combination, Contingent Value Rights, First Revenue Milestone	$ 24,000,000	30,000,000	24,000,000	0.40							24,000,000	24,000,000	24,000,000	24,000,000	
Gain (Loss) from Change in Fair Value of CVR		$ (100,000)	$ 300,000	$ 30							400,000	$ (200,000)	1,000,000	$ 200,000	$ 300,000
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Noncurrent Liabilities, Long-term Debt						3,100,000									
Business Combination, Recognized Identifiable Asset Acquired and Liability Assumed, Lease Obligation					754,822	$ 800,000									
Innovus Pharmaceuticals [Member] | Conversion of Notes Payable into Common Stock [Member]															

Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Noncurrent Liabilities, Long-term Debt	41,000				$ 41,000	$ 41,000
Debt Conversion, Original Debt, Amount			$ 2,200,000			
Debt Conversion, Converted Instrument, Shares Issued (in shares)			180,000			
Innovus Pharmaceuticals [Member] | Minimum [Member]						
Finite-Lived Intangible Asset, Useful Life (Year)				1 year 182 days	1 year	
Innovus Pharmaceuticals [Member] | Maximum [Member]						
Finite-Lived Intangible Asset, Useful Life (Year)				10 years	18 years	
Innovus Pharmaceuticals [Member] | Series H Preferred Stock [Member]						
Business Acquisition, Equity Interest Issued or Issuable, Number of Shares (in shares)			1,997,736			
Neos Therapeutics, Inc. [Member]						
Payments to Acquire Businesses, Gross		$ 15,383,104				
Business Acquisition, Equity Interest Issued or Issuable, Number of Shares (in shares)		5,471,804				
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total		$ 56,530,000				
Business Combination, Recognized Identifiable Asset Acquired and Liability Assumed, Lease Obligation		3,515,141				
Business Combination, Acquisition Related Costs		$ 2,800,000				
Business Combination, Pro Forma Information, Revenue of Acquiree since Acquisition Date, Actual	900,000					
Business Combination, Pro Forma Information, Earnings or Loss of Acquiree since Acquisition Date, Actual	$ (3,900,000)					

[1] Neos contributed approximately $0.9 million to net revenue and approximately $3.9 million to net loss for the period covering March 20, 2021 through March 31, 2021.

Note 2 - Acquisitions - Preliminary Fair Value of Assets Acquired and Liabilities Assumed (Details) - USD ($)	Mar. 19, 2021	Feb. 14, 2020	Nov. 01, 2019	Mar. 31, 2021	Jun. 30, 2020	Feb. 13, 2020
Goodwill				$ 65,802,636	$ 28,090,407	
Innovus Pharmaceuticals [Member]						
Total shares issued (in shares)		3,810,393				
Estimated fair value per share of Aytu common stock (in dollars per share)		$ 0.756				
Estimated fair value of equity consideration transferred		$ 2,880,581				
Total consideration transferred		12,805,263				
Inventory		1,149,625				
Prepaid assets		1,692,133				
Intangible assets - product marketing rights		11,744,000				$ 11,700,000
Accrued liabilities		7,202,309				
Total identifiable net assets		4,167,991				
Goodwill		8,637,272				
Fair value of former Innovus warrants		15,315				
Fair value of Contingent Value Rights		7,049,079				
Forgiveness of Note Payable owed to the Company		1,350,000				
Total consideration transferred		12,805,263				
Cash and cash equivalents		390,916				
Accounts receivable		278,826				
Other long-term assets		36,781				
Right-to-use assets		328,410				
Property, plant and equipment		190,393				
Other current liabilities		629,601				
Notes payable		3,056,361				
Lease liability		$ 754,822				800,000
Total shares issued at close (in shares)		3,810,393				
Inventory		$ 1,149,625				
Operating leases right-to-use assets		328,410				
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total		11,744,000				11,700,000
Accounts payable and accrued expenses		(7,202,309)				
Operating lease liabilities		$ (754,822)				$ (800,000)

Innovus Pharmaceuticals [Member] | Series H Preferred Stock [Member]		
Total shares issued (in shares)		1,997,736
Estimated fair value per share of Aytu common stock (in dollars per share)		$ 0.756
Estimated fair value of equity consideration transferred		$ 1,510,288
Total shares issued at close (in shares)		1,997,736
Neos Therapeutics, Inc. [Member]		
Cash and cash equivalents	$ 15,383,104	
Total shares issued (in shares)	5,471,804	
Estimated fair value per share of Aytu common stock (in dollars per share)	$ 9.73	
Estimated fair value of equity consideration transferred	$ 53,240,653	
Total consideration transferred	69,056,046	
Inventory	10,984,055	
Prepaid assets	2,929,457	
Intangible assets - product marketing rights	56,530,000	
Accrued liabilities	56,718,159	
Total identifiable net assets	31,343,817	
Goodwill	37,712,229	
Total consideration transferred	69,056,046	
Cash and cash equivalents	15,721,797	
Accounts receivable	24,695,527	
Other long-term assets	148,931	
Right-to-use assets	3,515,141	
Property, plant and equipment	5,518,801	
Lease liability	$ 3,515,141	
Total shares issued at close (in shares)	5,471,804	
Estimated fair value of replacement equity awards	$ 432,289	
Inventory	10,984,055	
Operating leases right-to-use assets	3,515,141	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total	56,530,000	
Accounts payable and accrued expenses	(56,718,159)	
Short-term line of credit	(10,707,115)	
Long-term debt, including current portion	(17,677,954)	
Operating lease liabilities	(3,515,141)	
Other long-term liabilities	$ (81,523)	

The Pediatric Portfolio [Member]	
Cash and cash equivalents	$ 4,500,000
Total shares issued (in shares)	9,805,845
Estimated fair value per share of Aytu common stock (in dollars per share)	$ 0.567
Estimated fair value of equity consideration transferred	$ 5,559,914
Total consideration transferred	10,059,914
Inventory	459,123
Prepaid assets	1,743,555
Other current assets	2,525,886
Intangible assets - product marketing rights	22,700,000
Accrued liabilities	300,000
Accrued product program liabilities	6,683,932
Assumed fixed payment obligations	29,837,853
Total identifiable net assets	9,393,221
Goodwill	19,453,135
Total consideration transferred	$ 10,059,914
Total shares issued at close (in shares)	9,805,845
Inventory	$ 459,123
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total	22,700,000
Accounts payable and accrued expenses	$ (300,000)

Note 2 - Acquisitions - Identifiable Intangible Assets Acqured (Details) - Neos Therapeutics, Inc. [Member]	Mar. 19, 2021 USD ($)
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total	$ 56,530,000
In Process Research and Development [Member]	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total	2,600,000
Developed Technology Rights [Member]	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total	30,200,000
Developed Products Technology [Member]	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total	22,700,000
RXConnect [Member]	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total	630,000
Trade Names [Member]	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Intangible Assets, Other than Goodwill, Total	$ 400,000

Note 2 - Acquisitions - Unaudited Pro Forma Results (Details) - USD ($)	3 Months Ended		9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020 [2],[3]	Mar. 31, 2021	Mar. 31, 2020 [4]
Business Combination, Pro Forma Information, Revenue of Acquiree since Acquisition Date, Actual	[1] $ 22,250,543		$ 74,582,036	
Total revenues, net		$ 24,824,477		$ 83,141,373
Business Combination, Pro Forma Information, Earnings or Loss of Acquiree since Acquisition Date, Actual	[1] $ (32,674,710)		$ (55,711,884)	
Net (loss)		$ (13,800,554)		$ (31,686,745)
Net (loss) per share (ee) (in dollars per share)	[5] $ (1.41)	[1] $ (3.91)	$ (2.71)	[1] $ (14.01)

[1] Neos contributed approximately $0.9 million to net revenue and approximately $3.9 million to net loss for the period covering March 20, 2021 through March 31, 2021.

[2] Due to the absence of discrete financial information for Innovus covering the period from January 1, 2020 through February 13, 2020, the Company did not include the impact of that stub-period for the pro forma results for the three and nine months ended March 31, 2020.

[3] For the three months ended March 31, 2020, the Pediatric Portfolio acquisition occurred prior to the three months ended March 31, 2020, and accordingly, the results of the Pediatric Portfolio are fully consolidated into the Company's results for the three months ended March 31, 2020.

[4] Due to a lack of financial information covering the period from October 1, 2019 through November 1, 2019, the Company was not able to provide pro forma adjusted financial statements for the nine months ended March 31, 2020 without making estimated extrapolations that the Company did not believe would be material or useful to users of the above pro forma information.

[5] Pro forma net loss per share calculations excluded the impact of the issuance of the (i) Series G Convertible Preferred Stock and the, (ii) Series H Convertible Preferred Stock under the assumption those shares would continue to remain non-participatory during the periods reported above.

Note 3 - Revenue Recognition (Details Textual) - USD ($)	Mar. 31, 2021	Jun. 30, 2020
Other Current Assets [Member]		
Contract with Customer, Asset, after Allowance for Credit Loss, Current, Total	$ 42,000	$ 0
Accrued Liabilities Current [Member]		
Contract with Customer, Liability, Current	$ 200,000	$ 300,000

Note 3 - Revenue Recognition - Revenues by Geographic Location (Details) - USD ($)	3 Months Ended		9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Total net revenue	$ 13,482,282	$ 8,156,173	$ 42,149,561	$ 12,771,235
UNITED STATES				
Total net revenue	12,344,000	7,273,000	38,245,000	11,582,000
Non-US [Member]				
Total net revenue	$ 1,138,000	$ 883,000	$ 3,905,000	$ 1,189,000

Note 3 - Revenue Recognition - Revenues by Product Portfolio (Details) - USD ($)	3 Months Ended		9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Total net revenue	$ 13,482,282	$ 8,156,173	$ 42,149,561	$ 12,771,235
Primary Care and Devices [Member]				
Total net revenue	1,209,000	870,000	8,339,000	3,500,000
Pediatric [Member]				
Total net revenue	3,918,000	3,833,000	9,752,000	5,818,000
Consumer Health [Member]				
Total net revenue	$ 8,355,000	$ 3,453,000	$ 24,059,000	$ 3,453,000

Note 4 - Inventories (Details Textual) - USD ($)	3 Months Ended		9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Inventory Write-down	$ 7,000,000	$ 0	$ 7,227,230	$ 0

Note 4 - Inventories - Inventory Balances (Details) - USD ($)	Mar. 31, 2021	Jun. 30, 2020
Raw materials	$ 2,583,000	$ 397,000
Work in process	3,181,000	
Finished goods	10,812,000	9,603,000
Inventory	$ 16,575,757	$ 9,999,441

Note 5 - Fixed Assets (Details Textual) - USD ($)	3 Months Ended		9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Gain (Loss) on Disposition of Property Plant Equipment, Total	$ 0		$ (112,110)	
Depreciation, Depletion and Amortization, Nonproduction, Total	$ 68,000	$ 24,000	$ 119,000	$ 56,000

Note 5 - Fixed Assets - Fixed Assets (Details) - USD ($)	3 Months Ended	
	Mar. 31, 2021	Jun. 30, 2020
Less accumulated depreciation and amortization	$ (571,000)	$ (484,000)
Fixed assets, net	5,557,727	258,516
Manufacturing Equipment [Member]		
Fixed assets, gross	$ 3,072,000	112,000
Manufacturing Equipment [Member] | Minimum [Member]		
Estimated useful life (Year)	2 years	
Manufacturing Equipment [Member] | Maximum [Member]		
Estimated useful life (Year)	7 years	
Leasehold Improvements [Member]		
Estimated useful life (Year)	3 years	
Fixed assets, gross	$ 1,259,000	229,000
Office Equipment, Furniture and Other [Member]		
Fixed assets, gross	$ 966,000	312,000
Office Equipment, Furniture and Other [Member] | Minimum [Member]		
Estimated useful life (Year)	2 years	
Office Equipment, Furniture and Other [Member] | Maximum [Member]		
Estimated useful life (Year)	7 years	
Lab Equipment [Member]		
Fixed assets, gross	$ 646,000	90,000
Lab Equipment [Member] | Minimum [Member]		
Estimated useful life (Year)	3 years	
Lab Equipment [Member] | Maximum [Member]		
Estimated useful life (Year)	7 years	
Asset under Construction [Member]		
Fixed assets, gross	$ 186,000	

Note 6 - Leases, Right-to-use Assets and Related Liabilities (Details Textual) - USD ($)	9 Months Ended					
	Mar. 31, 2021	Mar. 31, 2020	Mar. 19, 2021	Oct. 01, 2020	Aug. 28, 2020	Jun. 30, 2020
Operating Lease, Right-of-Use Asset	$ 3,781,737					$ 634,093
Operating Lease, Liability, Total	3,783,000					
Gain (Loss) on Termination of Lease	343,185					
Lease for Warehouse Space in Carlsbad, CA [Member]						
Lessee, Operating Lease, Term of Contract (Year)				1 year		
Innovus Pharmaceuticals [Member]						
Lessee, Operating Lease, Termination Agreement, Two Months Rent					$ 44,306	
Lessee, Operating Lease, Termination Agreement, Additional Fee					125,000	
Security Deposit					$ 20,881	
Operating Lease, Liability, Total						$ 700,000
Gain (Loss) on Termination of Lease	$ 343,000					
Neos Therapeutics, Inc. [Member]						
Operating Lease, Right-of-Use Asset			$ 3,500,000			
Lessee, Operating Lease, Discount Rate			6.70%			
Lessee, Finance Lease, Discount Rate			5.90%			
Operating Lease, Liability, Total			$ 3,500,000			

Note 6 - Leases, Right-to-use Assets and Related Liabilities - Lease Expenses and Information (Details) - USD ($)	3 Months Ended		9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Total net lease cost	$ 96,000	$ 27,000	$ 155,000	$ 72,000
Operating Expense [Member]				
Operating lease cost	69,000	27,000	128,000	72,000
Short-term lease cost	7,000		7,000	
Cost of Sales [Member]				
Amortization of leased assets	19,000		19,000	
Other Expense [Member]				
Interest on lease liabilities	$ 1,000		$ 1,000	

Note 6 - Leases, Right-to-use Assets and Related Liabilities - Balance Sheet Information (Details) - USD ($)	Mar. 31, 2021	Jun. 30, 2020
Operating Lease, Right-of-Use Asset	$ 3,781,737	$ 634,093
Total leased assets	4,129,000	634,000
Operating leases liabilities	910,885	300,426
Operating leases, long-term	2,871,845	725,374
Total lease liabilities, long-term	4,090,000	1,025,000
Fixed Assets, Net [Member]		
Finance lease assets	347,000	
Current Portion of Debt [Member]		
Finance leases liabilities	100,000	
Long-term Debt, Net of Current Portion [Member]		
Finance leases, long-term	$ 207,000	

Note 6 - Leases, Right-to-use Assets and Related Liabilities - Lease Information (Details)	Mar. 31, 2021	Jun. 30, 2020
Operating lease assets, weighted-average remaining lease term (years) (Year)	3 years 244 days	3 years 120 days
Finance lease assets, weighted-average remaining lease term (years) (Year)	2 years 350 days	
Operating lease, weighted-average discount rate	6.62%	8.09%
Finance lease assets, weighted-average discount rate	6.40%	

Note 6 - Leases, Right-to-use Assets and Related Liabilities - Cash Flow Information (Details) - USD ($)	9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Operating cash flows from operating leases	$ 128,000	$ 72,000
Operating cash flows from finance leases	$ 1,000	

Note 6 - Leases, Right-to-use Assets and Related Liabilities - Maturities of Lease Liabilities (Details)	Mar. 31, 2021 USD ($)
2021 (remaining 3 months), operating	$ 281,000
2021 (remaining 3 months), finance	29,000
2022, operating	1,154,000
2022, finance	117,000
2023, operating	1,182,000
2023, finance	105,000
2024, operating	1,117,000
2024, finance	88,000
2025, operating	557,000
2025, finance	
Total lease payments, operating	4,291,000
Total lease payments, finance	339,000
Less: Imputed interest, operating lease	(508,000)
Less: Imputed interest, finance	(32,000)
Lease liabilities, operating lease	3,783,000
Lease liabilities, finance	$ 307,000

Note 7 - Intangible Assets (Details Textual) - USD ($)	3 Months Ended		9 Months Ended		12 Months Ended
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020	Jun. 30, 2020
Impairment of Intangible Assets, Finite-lived	$ 4,286,000				$ 195,000
Finite-Lived Intangible Assets, Net, Ending Balance	93,637,000		$ 93,637,000		
Amortization of Intangible Assets, Total	1,700,000	$ 1,400,000	$ 4,900,000	$ 2,900,000	
Minimum [Member]					
Finite-Lived Intangible Asset, Period before Next Renewal or Extension (Year)			1 year		
Maximum [Member]					
Finite-Lived Intangible Asset, Period before Next Renewal or Extension (Year)			20 years		
Natesto [Member] | Licensed Asset [Member]					
Impairment of Intangible Assets, Finite-lived	4,300,000				
Finite-Lived Intangible Assets, Net, Ending Balance	0		$ 0		
Neos Therapeutics, Inc. [Member]					
Termination Agreement, Aggregate Amount	$ 7,500,000		$ 7,500,000		
Termination Agreement, Equal Monthly Installment Payment , Period (Month)	2 years 180 days				

Note 7 - Intangible Assets - Summary of Intangible Assets (Details) - USD ($)	3 Months Ended	12 Months Ended
	Mar. 31, 2021	Jun. 30, 2020
Intangible assets, accumulated amortization	$ (14,100,000)	$ (9,423,000)
Intangible assets, impairment	(4,286,000)	$ (195,000)
Finite-Lived Intangible Assets, Net, Ending Balance	$ 93,637,000	
Intangible assets, weighted-average remaining life (Year)	13 years 204 days	9 years 40 days
Intangible assets, gross carrying amount	$ 114,623,000	$ 58,473,000
Intangible assets, net carrying amount	96,236,796	48,854,561
In Process Research and Development [Member]		
Indefinite-lived Intangible assets	2,600,000	
Licensed Assets [Member]		
Intangible assets, gross carrying amount	23,649,000	23,649,000
Intangible assets, accumulated amortization	(8,768,000)	(7,062,000)
Intangible assets, impairment	(4,286,000)	
Finite-Lived Intangible Assets, Net, Ending Balance	$ 10,595,000	$ 16,587,000
Intangible assets, weighted-average remaining life (Year)	15 years 54 days	11 years 321 days
Technology-Based Intangible Assets [Member]		
Intangible assets, gross carrying amount	$ 45,400,000	$ 22,700,000
Intangible assets, accumulated amortization	(3,259,000)	(1,513,000)
Intangible assets, impairment		
Finite-Lived Intangible Assets, Net, Ending Balance	$ 42,141,000	$ 21,187,000
Intangible assets, weighted-average remaining life (Year)	13 years 135 days	9 years 124 days
MiOXSYS Patent [Member]		
Intangible assets, gross carrying amount		$ 380,000
Intangible assets, accumulated amortization		(185,000)
Intangible assets, impairment		(195,000)
Finite-Lived Intangible Assets, Net, Ending Balance		
Intangible assets, weighted-average remaining life (Year)		
Developed Technology Rights [Member]		
Intangible assets, gross carrying amount	$ 30,200,000	
Intangible assets, accumulated amortization	(57,000)	
Intangible assets, impairment		
Finite-Lived Intangible Assets, Net, Ending Balance	$ 30,143,000	
Intangible assets, weighted-average remaining life (Year)	16 years 354 days	
Product Distribution Rights [Member]		
Intangible assets, gross carrying amount	$ 11,354,000	
Intangible assets, accumulated amortization	(1,697,000)	
Intangible assets, impairment		
Finite-Lived Intangible Assets, Net, Ending Balance	$ 9,657,000	
Intangible assets, weighted-average remaining life (Year)	7 years 10 days	
Distribution Rights [Member]		
Intangible assets, gross carrying amount		$ 11,354,000

Intangible assets, accumulated amortization		(565,000)
Finite-Lived Intangible Assets, Net, Ending Balance		$ 10,789,000
Intangible assets, weighted-average remaining life (Year)		7 years 284 days
Customer Lists [Member]		
Intangible assets, gross carrying amount	$ 390,000	$ 390,000
Intangible assets, accumulated amortization	(293,000)	(98,000)
Intangible assets, impairment		
Finite-Lived Intangible Assets, Net, Ending Balance	$ 97,000	$ 292,000
Intangible assets, weighted-average remaining life (Year)	135 days	1 year 43 days
Commercial Technology [Member]		
Intangible assets, gross carrying amount	$ 630,000	
Intangible assets, accumulated amortization	(20,000)	
Intangible assets, impairment		
Finite-Lived Intangible Assets, Net, Ending Balance	$ 610,000	
Intangible assets, weighted-average remaining life (Year)	1 year 354 days	
Trade Names [Member]		
Intangible assets, gross carrying amount	$ 400,000	
Intangible assets, accumulated amortization	(6,000)	
Intangible assets, impairment		
Finite-Lived Intangible Assets, Net, Ending Balance	$ 394,000	
Intangible assets, weighted-average remaining life (Year)	354 days	

Note 7 - Intangible Assets - Amortizable - Estimated Future Amortization Expense (Details)	Mar. 31, 2021 USD ($)
2021 (remaining 3 months)	$ 2,234,500
2022	8,529,000
2023	7,981,000
2024	7,825,000
2025	7,591,000
Thereafter	59,476,500
Total future amortization expense	$ 93,637,000

Note 8 - Accrued Liabilities - Accrued Liabilities (Details) - USD ($)		Mar. 31, 2021	Jun. 30, 2020
Accrued settlement expense		$ 150,000	$ 315,000
Accrued program liabilities		7,836,000	959,000
Accrued product-related fees		2,379,000	2,471,000
Accrued savings offers		19,218,000	
Accrued distributor fees		2,816,000	457,000
Credit card liabilities		657,000	510,000
Medicaid liabilities		1,948,000	1,842,000
Return reserve		5,592,000	1,329,000
Sales taxes payable		182,000	175,000
Other accrued liabilities*	[1]	2,404,000	588,000
Total accrued liabilities		$ 43,181,920	$ 8,645,984

[1] Other accrued liabilities consist of franchise tax, accounting and legal fees, interest payable, merchant services charges, none of which individually represent greater than five percent of total current liabilities.

Note 9 - Fair Value Considerations (Details Textual)	Mar. 20, 2021 USD ($) shares	Mar. 31, 2020 USD ($) shares	Mar. 20, 2020 USD ($) shares	1 Months Ended Nov. 30, 2021 USD ($)	3 Months Ended Mar. 31, 2021 USD ($) shares	3 Months Ended Mar. 31, 2020 USD ($)	9 Months Ended Mar. 31, 2021 USD ($)	9 Months Ended Mar. 31, 2020 USD ($)	12 Months Ended Jun. 30, 2020 USD ($)	Dec. 31, 2020 USD ($)	Feb. 14, 2020 USD ($)	Nov. 02, 2018 USD ($)	Jun. 11, 2018 USD ($)
Business Combination, Contingent Consideration Arrangements, Change in Amount of Contingent Consideration, Liability					$ (631,298)		$ 2,680,022						
Tuzistra XR [Member]													
Business Combination, Contingent Consideration, Liability, Total					14,400,000		14,400,000					$ 8,800,000	
Tuzistra XR [Member] | Forecast [Member]													
Payment for Contingent Consideration Liability, Operating Activities				$ 3,000,000									
ZolpiMist [Member]													
Business Combination, Contingent Consideration, Liability, Total										$ 300,000			$ 2,600,000
Innovus Pharmaceuticals [Member]													
Business Combination, Contingent Consideration, Liability, Total											$ 200,000		
Business Combination, Contingent Consideration Arrangements, Change in Amount of Contingent Consideration, Liability					15,000	44,000							
Business Combination, Contingent Value Rights, Maximum Range of Outcomes					$ 16,000,000		16,000,000						
Business Combination, Maximum Shares to be Issued to Settle CVR (in shares) | shares					470,000								
Stock Issued During Period, Shares, Contingent Value Rights (in shares) | shares	103,000	120,000	103,000		120,000								
Stock Issued During Period, Value, Contingent Value Rights	$ 1,000,000	$ 2,000,000	$ 1		$ 1,000,000								
Business Combination, Contingent Value Rights, First Revenue Milestone	30,000,000	24,000,000	0.40		24,000,000	24,000,000	24,000,000	24,000,000					
Gain (Loss) from Change in Fair Value of CVR	$ (100,000)	$ 300,000	$ 30		$ 400,000	$ (200,000)	$ 1,000,000	$ 200,000	$ 300,000				
Innovus Pharmaceuticals [Member] | Measurement Input, Discount Rate [Member]													
Business Combination, Contingent Consideration, Liability, Measurement Input											0.3		

Note 9 - Fair Value Considerations - Financial Liabilities Accounted for at Fair Value on a Recurring Basis (Details) - Fair Value, Recurring [Member] - USD ($)	Mar. 31, 2021	Jun. 30, 2020
Contingent consideration	$ 14,904,000	$ 13,588,000
CVR liability	5,591,000	5,572,000
Total	20,495,000	19,160,000
Fair Value, Inputs, Level 1 [Member]		
Contingent consideration		
CVR liability		
Total		
Fair Value, Inputs, Level 2 [Member]		
Contingent consideration		
CVR liability		
Total		
Fair Value, Inputs, Level 3 [Member]		
Contingent consideration	14,904,000	13,588,000
CVR liability	5,591,000	5,572,000
Total	$ 20,495,000	$ 19,160,000

Note 9 - Fair Value Considerations - Summary of Level 3 Input Changes (Details)	9 Months Ended Mar. 31, 2021 USD ($)
CVR Liability [Member]	
Balance	$ 5,572,000
Included in earnings	1,019,000
Settlements	(1,000,000)
Balance	5,591,000
Contingent Consideration [Member]	
Balance	13,588,000
Included in earnings	1,999,000
Settlements	(683,000)
Balance	$ 14,904,000

Note 9 - Fair Value Considerations - Significant Assumptions (Details)	Mar. 31, 2021
Credit Risk Assumption [Member]	
Contingent consideration, measurement input	0.208
Contingent value rights, measurement input	0.096
Sales Volatility [Member]	
Contingent consideration, measurement input	0.45
Time Steps Per Year [Member]	
Contingent consideration, measurement input	1
Contingent value rights, measurement input	30
Credit Spread [Member]	
Contingent consideration, measurement input	0.03
Number of Iterations [Member]	
Contingent consideration, measurement input	500
Contingent value rights, measurement input	10,000

Note 10 - Commitments and Contingencies (Details Textual)	Mar. 20, 2021 USD ($) shares	May 29, 2020 USD ($)	Mar. 31, 2020 USD ($) shares	Mar. 20, 2020 USD ($) shares	Nov. 01, 2019 USD ($)	1 Months Ended Jan. 31, 2020 USD ($)	May 31, 2016 USD ($)	3 Months Ended Mar. 31, 2021 USD ($) shares	Mar. 31, 2020 USD ($)	9 Months Ended Mar. 31, 2021 USD ($)	Mar. 31, 2020 USD ($)	12 Months Ended Jun. 30, 2020 USD ($)	Jun. 30, 2019	Jun. 30, 2018	Jan. 31, 2021 USD ($)	May 01, 2020 USD ($)	Feb. 14, 2020 USD ($)	Feb. 28, 2015 USD ($)
Contractual Obligation, Total								$ 35,117,000		$ 35,117,000								
Tris Pharma, Inc. [Member] | Karbinal Agreement [Member]																		
Supply and Distribution Commitment, Period (Year)					20 years													
Supply and Distribution Commitment, Total Royalty, Percentage of Net Sales					23.50%													
Supply and Distribution Commitment, Third Party, Royalty, Percentage of Net Sales					8.50%													
Supply and Distribution Commitment, Royalty, Percentage of Net Sales													15.00%	15.00%				
Supply and Distribution Agreement, Maximum Yearly Make-whole Payment					$ 2,100,000													
Supply and Distribution Agreement, Minimum Sales Per Year					70,000													
Supply and Distribution Agreement, Make-whole Payment Per Unit for Sales Under Minimum					$ 30													
Supply and Distribution Agreement, Maximum Milestone Obligations					3,000,000													
Supply and Distribution Agreement, First Milestone, Minimum Net Revenues					40,000,000													
Innovus Pharmaceuticals [Member]																		
Stock Issued During Period, Shares, Contingent Value Rights (in shares) | shares	103,000		120,000	103,000				120,000										
Stock Issued During Period, Value, Contingent Value Rights	$ 1,000,000		$ 2,000,000	$ 1				$ 1,000,000										
Business Combination, Contingent Value Rights, First Revenue Milestone	30,000,000		24,000,000	0.40				24,000,000	$ 24,000,000	24,000,000	$ 24,000,000							
Gain (Loss) from Change in Fair Value of CVR	$ (100,000)		$ 300,000	$ 30				400,000	$ (200,000)	1,000,000	$ 200,000	$ 300,000						
Business Combination, Contingent Consideration, Liability, Total																	$ 200,000	
Novalere [Member] | Innovus Pharmaceuticals [Member]																		
Business Acquisition, Contingent Consideration, Number of Payments																		5
Business Acquisition, Contingent Consideration, Payment Upon Each Sales Milestone																		$ 500,000
Business Combination, Contingent Consideration, Liability, Total								200,000		200,000								
Prescription Database [Member]																		
Unrecorded Unconditional Purchase Obligation, Total							$ 1,600,000											
Unrecorded Unconditional Purchase Obligation, Term (Year)							3 years											
Contractual Obligation, Total								1,145,000		1,145,000								
Prescription Database [Member] | The Pediatric Portfolio [Member]																		
Unrecorded Unconditional Purchase Obligation, Total						$ 600,000												
First Pediatric Portfolio Fixed Obligation [Member]																		
Contractual Obligation, Monthly Payment															$ 86,840			
Contractual Obligation, Balloon Payment															$ 15,000,000			
Repayments of Fixed Obligation		$ 15,000,000																

Second Pediatric Portfolio Fixed Obligation [Member]					
Contractual Obligation, Monthly Payment	$ 100,000				
Payments for Fixed Obligations to Investor		$ 210,767			
Inventories [Member]					
Contractual Obligation, Total			1,472,000	1,472,000	
Inventories [Member] | Hikma Pharmaceuticals USA, Inc. [Member]					
Unrecorded Unconditional Purchase Obligation, Total					$ 1,000,000
Product Milestone Payments [Member]					
Contractual Obligation, Total			$ 3,000,000	$ 3,000,000	

Note 10 - Commitments and Contingencies - Summary of Commitments and Contingencies (Details)	Mar. 31, 2021 USD ($)
Total	$ 35,117,000
2021	1,973,000
2022	9,769,000
2023	8,300,000
2025	3,300,000
Thereafter	3,475,000
2021	1,973,000
Prescription Database [Member]	
Total	1,145,000
2021	412,000
2022	733,000
2023	
2024	
2025	
Thereafter	
2021	412,000
Pediatric Portfolio Fixed Payments and Product Minimums [Member]	
Total	15,000,000
2021	825,000
2022	3,300,000
2023	3,300,000
2024	3,300,000
2025	3,300,000
Thereafter	975,000
2021	825,000
Inventories [Member]	
Total	1,472,000
2021	736,000
2022	736,000
2023	
2024	
2025	
Thereafter	
2021	736,000
CVR Liability [Member]	
Total	12,000,000
2021	
2022	2,000,000
2023	5,000,000
2024	5,000,000

2025	
Thereafter	
2021	
Product Contingent Liability [Member]	
Total	2,500,000
2021	
2022	
2023	
2024	
2025	
Thereafter	2,500,000
2021	
Product Milestone Payments [Member]	
Total	3,000,000
2021	
2022	3,000,000
2023	
2025	
Thereafter	
2021	

Note 11 - Capital Structure (Details Textual) - USD ($)	Mar. 20, 2021	Mar. 19, 2021	Dec. 10, 2020	Mar. 31, 2020	Mar. 20, 2020	1 Months Ended Jul. 31, 2020	Jun. 30, 2020	3 Months Ended Mar. 31, 2021	Dec. 31, 2020	Mar. 31, 2020	9 Months Ended Mar. 31, 2021	Mar. 31, 2020	10 Months Ended Mar. 31, 2021
Common Stock, Shares Authorized (in shares)							200,000,000	200,000,000	200,000,000		200,000,000		200,000,000
Common Stock, Par or Stated Value Per Share (in dollars per share)							$ 0.0001	$ 0.0001	$ 0.0001		$ 0.0001		$ 0.0001
Preferred Stock, Shares Authorized (in shares)							50,000,000	50,000,000	50,000,000		50,000,000		50,000,000
Preferred Stock, Par or Stated Value Per Share (in dollars per share)							$ 0.0001	$ 0.0001	$ 0.0001		$ 0.0001		$ 0.0001
Common Stock, Shares, Outstanding, Ending Balance (in shares)							12,583,736	23,457,887			23,457,887		23,457,887
Preferred Stock, Shares Outstanding, Ending Balance (in shares)							0	0	0		0		0
Stock Issued During Period, Value, New Issues									$ 28,317,444	$ 33,278,756			
Payments of Stock Issuance Costs											$ 4,430,516	$ 5,280,426	
Class of Warrant or Right, Issued During Period (in shares)											403,760		
Neos Therapeutics, Inc. [Member]													
Stock Issued During Period, Shares, Acquisitions (in shares)		5,447,000											
Innovus Pharmaceuticals [Member]													
Stock Issued During Period, Shares, Contingent Value Rights (in shares)	103,000			120,000	103,000			120,000					
Stock Issued During Period, Value, Contingent Value Rights	$ 1,000,000			$ 2,000,000	$ 1			$ 1,000,000					
Business Combination, Contingent Value Rights, First Revenue Milestone	$ 30,000,000			$ 24,000,000	$ 0.40			$ 24,000,000		$ 24,000,000	$ 24,000,000	$ 24,000,000	$ 24,000,000
Wainwright [Member]													
Common Stock, Par or Stated Value Per Share (in dollars per share)			$ 0.0001										
Stock Issued During Period, Shares, New Issues (in shares)			4,791,667										
Stock Issued During Period, Value, New Issues			$ 28,800,000										
Payments of Stock Issuance Costs			$ 2,600,000										
Underwriting Agreement, Commitment Offering, Shares (in shares)			4,166,667										
Shares Issued, Price Per Share (in dollars per share)			$ 6										
Underwriting Agreement, Overallotment Option, Shares (in shares)			625,000										
Proceeds from Issuance of Common Stock			$ 26,200,000										
Neos Directors and Officers [Member] | Neos Therapeutics, Inc. [Member]													
Stock Issued During Period, Shares, Restricted Stock Award, Gross (in shares)		24,804											
Conversion of Debt to Common Stock [Member]													
Debt Conversion, Original Debt, Amount			$ 800,000										

Debt Conversion, Converted Instrument, Shares Issued (in shares)	130,081					
Warrants Issued in Connection with March Offerings [Member]						
Class of Warrant or Right, Issued During Period (in shares)		92,302				
Class of Warrant or Right, Number of Securities Called by Warrants or Rights (in shares)		92,302				
Class of Warrant or Right, Issued During Period, Exercise Price (in dollars per share)		$ 15.99				
Warrants and Rights Outstanding, Term (Year)		1 year				
Warrants and Rights Outstanding		$ 356,000				
Warrants Issued in Connection With Wainwright Offering [Member]						
Class of Warrant or Right, Issued During Period (in shares)	311,458					
Class of Warrant or Right, Number of Securities Called by Warrants or Rights (in shares)	311,458					
Warrants and Rights Outstanding, Term (Year)	5 years					
Warrants and Rights Outstanding	$ 1,300,000					
Class of Warrant or Right, Exercise Price of Warrants or Rights (in dollars per share)	$ 7.50					
At-the-market Offering [Member]						
Stock Issued During Period, Shares, New Issues (in shares)			430,230	352,912		783,142
Stock Issued During Period, Value, New Issues			$ 6,800,000	$ 3,600,000		$ 10,400,000
Payments of Stock Issuance Costs			$ 200,000	$ 1,600,000		$ 1,800,000
The March Offerings [Member]						
Payments of Stock Issuance Costs		$ 1,500,000				
Restricted Stock [Member]						
Common Stock, Shares, Outstanding, Ending Balance (in shares)				274,635	274,635	274,635

Note 12 - Equity Incentive Plan (Details Textual) - USD ($)	3 Months Ended			9 Months Ended			
	Mar. 19, 2021	Mar. 31, 2021	Dec. 31, 2020	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020	Feb. 13, 2020	Jul. 31, 2017
Share-based Compensation Arrangement by Share-based Payment Award, Options, Grants in Period, Gross (in shares)		69,721	0					
Share-based Payment Arrangement, Expense		$ 1,526,000		$ 264,000	$ 2,485,000	$ 591,000		
Severance Agreements [Member] | Accrued Expense [Member]								
Deferred Compensation Share-based Arrangements, Liability, Current		$ 100,000			$ 100,000			
Restricted Stock Units (RSUs) [Member]								
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Grants in Period (in shares)		55,000			90,728			
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Grants in Period, Weighted Average Grant Date Fair Value (in dollars per share)		$ 7.60			$ 8.35			
Share-based Payment Arrangement, Option [Member]								
Share-based Payment Arrangement, Nonvested Award, Option, Cost Not yet Recognized, Amount		$ 500,000			$ 500,000			
Share-based Payment Arrangement, Nonvested Award, Cost Not yet Recognized, Period for Recognition (Year)		3 years 109 days						
Share-based Payment Arrangement, Expense		$ 100,000		7,000	300,000	14,000		
Restricted Stock [Member]								
Share-based Payment Arrangement, Expense		$ 1,300,000		$ 300,000	$ 2,100,000	$ 600,000		
The 2015 Plan [Member]								
Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Authorized (in shares)							5,000,000	3,000,000
Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Available for Grant (in shares)		4,603,990			4,603,990			

The 2015 Plan [Member] | Restricted Stock Units (RSUs) [Member]			
Share-based Payment Arrangement, Nonvested Award, Cost Not yet Recognized, Period for Recognition (Year)		2 years 73 days	
Share-based Payment Arrangement, Nonvested Award, Cost Not yet Recognized, Amount, Total		$ 600,000	$ 600,000
The 2015 Plan [Member] | Restricted Stock [Member]			
Share-based Payment Arrangement, Nonvested Award, Cost Not yet Recognized, Period for Recognition (Year)		6 years 73 days	
Share-based Payment Arrangement, Nonvested Award, Excluding Option, Cost Not yet Recognized, Amount		$ 4,000,000	4,000,000
Neos 2015 Plan [Member]			
Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Available for Grant (in shares)	105,449		
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Grants in Period (in shares)	69,721		
Neos 2015 Plan [Member] | Restricted Stock Units (RSUs) [Member]			
Share-based Compensation Arrangement by Share-based Payment Award, Non-Option Equity Instruments, Granted (in shares)	35,728		
Non-plan [Member] | Restricted Stock [Member]			
Share-based Payment Arrangement, Nonvested Award, Cost Not yet Recognized, Period for Recognition (Year)		5 years 109 days	
Share-based Payment Arrangement, Nonvested Award, Excluding Option, Cost Not yet Recognized, Amount		$ 1,100,000	$ 1,100,000
Share-based Compensation Arrangement by Share-based Payment Award, Non-Option Equity Instruments, Outstanding, Number, Ending Balance (in shares)		158	158

Note 12 - Equity Incentive Plan - Stock Option (Details) - Share-based Payment Arrangement, Option [Member]	3 Months Ended Mar. 31, 2021
Expected volatility	100.00%
Expected term (years) (Year)	4 years
Risk-free interest rate	0.73%
Dividend yield	

Note 12 - Equity Incentive Plan - Stock Option Activity (Details) - USD ($)	3 Months Ended		12 Months Ended
	Mar. 31, 2021	Dec. 31, 2020	Jun. 30, 2020
Outstanding, number of options (in shares)	76,614		
Outstanding, weighted average exercise price (in dollars per share)	$ 19.39		
Outstanding, weighted average remaining contractual life (Year)	6 years 43 days		9 years 244 days
Granted, number of options (in shares)	69,721	0	
Granted, weighted average exercise price (in dollars per share)			
Forfeited/Cancelled, number of options (in shares)	(7,553)		
Forfeited/Cancelled, weighted average exercise price (in dollars per share)			
Expired, number of options (in shares)	(2,528)		
Expired, weighted average exercise price (in dollars per share)			
Outstanding, number of options (in shares)	136,254	76,614	
Outstanding, weighted average exercise price (in dollars per share)	$ 13.14	$ 19.39	
Outstanding, aggregate intrinsic value			
Exercisable at March 31, 2021 (in shares)	20,569		
Exercisable at March 31, 2021 (in dollars per share)	$ 87.86		
Exercisable at March 31, 2021 (Year)	8 years 204 days		
Exercisable at March 31, 2021			

Note 12 - Equity Incentive Plan - Restricted Stock Activity (Details) - Restricted Stock [Member] - $ / shares	9 Months Ended Mar. 31, 2021	12 Months Ended Jun. 30, 2020
Unvested at June 30, 2020 (in shares)	418,454	
Unvested at June 30, 2020 (in dollars per share)	$ 14.69	
Unvested at June 30, 2020 (Year)	6 years 73 days	6 years 146 days
Vested, number of shares (in shares)	(143,977)	
Unvested at March 31, 2021 (in shares)	274,477	418,454
Unvested at March 31, 2021 (in dollars per share)	$ 16.27	$ 14.69

Note 12 - Equity Incentive Plan - Restricted Stock Unit Activity (Details) - Restricted Stock Units (RSUs) [Member] - $ / shares	3 Months Ended	9 Months Ended	12 Months Ended
	Mar. 31, 2021	Mar. 31, 2021	Jun. 30, 2020
Granted number of shares (in shares)	55,000	90,728	
Granted, weighted average grant date fair value (in dollars per share)	$ 7.60	$ 8.35	
Granted (Year)			2 years 76 days
Vested, number of shares (in shares)		(2,822)	
Forfeited number of shares (in shares)		(544)	
Unvested at March 31, 2021 (in shares)	87,362	87,362	
Unvested, weighted average grant date fair value (in dollars per share)	$ 8.31	$ 8.31	
Unvested at June 30, 2020 (Year)		2 years 94 days	

Note 12 - Equity Incentive Plan - Stock-based Compensation Expense (Details) - USD ($)	3 Months Ended		9 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Total stock-based compensation expense	$ 1,526,000	$ 264,000	$ 2,485,000	$ 591,000
Cost of Sales [Member]				
Total stock-based compensation expense	9,000		9,000	
Research and Development Expense [Member]				
Total stock-based compensation expense	3,000		3,000	
Selling, General and Administrative Expenses [Member]				
Total stock-based compensation expense	$ 1,514,000	$ 264,000	$ 2,473,000	$ 591,000

Note 13 - Warrants (Details Textual) - USD ($)	Dec. 15, 2020	1 Months Ended Jul. 31, 2020	9 Months Ended Mar. 31, 2021
Class of Warrant or Right, Issued During Period (in shares)			403,760
Warrants Issued in Connection with March Offerings [Member]			
Class of Warrant or Right, Issued During Period (in shares)		92,302	
Class of Warrant or Right, Issued During Period, Exercise Price (in dollars per share)		$ 15.99	
Warrants and Rights Outstanding, Term (Year)		1 year	
Warrants and Rights Outstanding		$ 356,000	
December 15, 2020 Offering [Member]			
Class of Warrant or Right, Issued During Period (in shares)	311,458		
Class of Warrant or Right, Issued During Period, Exercise Price (in dollars per share)	$ 7.50		
Warrants and Rights Outstanding	$ 1,300,000		

Note 13 - Warrants - Summary of Equity-based Warrants (Details) - $ / shares	9 Months Ended Mar. 31, 2021	12 Months Ended Jun. 30, 2020
Outstanding, number of warrants (in shares)	2,288,528	
Outstanding, weighted average remaining contractual life (Year)	3 years 18 days	2 years
Warrants issued, number of warrants (in shares)	403,760	
Warrants expired, number of warrants (in shares)	(1,434,763)	
Outstanding, number of warrants (in shares)	1,257,525	2,288,528
Weighted Average [Member]		
Outstanding, weighted average exercise price (in dollars per share)	$ 30.26	
Outstanding, weighted average exercise price (in dollars per share)	$ 41.42	$ 30.26

Note 14 - Net Loss Per Common Share - Antidilutive Securities Excluded from Calculation of Diluted Earnings Per Share (Details) - shares	3 Months Ended	
	Mar. 31, 2021	Mar. 31, 2020
Antidilutive securities (in shares)	1,779,881	4,471,560
Liability Warrants [Member]		
Antidilutive securities (in shares)	24,105	24,105
Equity-based Warrants [Member]		
Antidilutive securities (in shares)	1,257,525	3,098,604
Share-based Payment Arrangement, Option [Member]		
Antidilutive securities (in shares)	136,254	33,844
Restricted Stock [Member]		
Antidilutive securities (in shares)	274,635	334,423
Restricted Stock Units (RSUs) [Member]		
Antidilutive securities (in shares)	87,362	
Convertible Preferred Stock [Member]		
Antidilutive securities (in shares)		980,584

Note 15 - Debt (Details Textual) - USD ($)	Mar. 31, 2021	Mar. 19, 2021	Dec. 10, 2020	Nov. 01, 2020	Jan. 09, 2020	Oct. 02, 2019	1 Months Ended Feb. 27, 2020	3 Months Ended Mar. 31, 2021	3 Months Ended Mar. 31, 2020	9 Months Ended Mar. 31, 2021	9 Months Ended Mar. 31, 2020	Mar. 20, 2021	May 11, 2016
Gain (Loss) on Exchange of Debt										$ (257,559)			
Repayments of Debt										318,181			
Neos Therapeutics, Inc. [Member]													
Debt Instrument, Unamortized Premium, Total	$ 724,000							724,000		724,000			
Neos Therapeutics, Inc. [Member] | Loan Agreement [Member]													
Line of Credit Facility, Maximum Borrowing Capacity						$ 25,000,000							
Line of Credit Facility, Maximum Borrowing Capacity, Portion Available for Short-term Swingline Loans						$ 2,500,000							
Percentage of Eligible Accounts Receivable Against which Short-term Swingline Loans May Be Made						85.00%							
Line of Credit Facility, Unused Capacity, Commitment Fee Percentage						0.50%							
Debt Instrument, Prepayment Option, Period of Notice Required (Day)						5 days							
Interest Expense, Debt, Total	28,000												
Long-term Line of Credit, Total	$ 4,700,000							$ 4,700,000		$ 4,700,000			
Neos Therapeutics, Inc. [Member] | Loan Agreement [Member] | Event Occurs On or Before October 2, 2021 [Member]													
Line of Credit Facility, Prepayment Fee Percentage						1.00%							
Neos Therapeutics, Inc. [Member] | Loan Agreement [Member] | Event Occurs After October 2, 2021 but Before May 11, 2022 [Member]													
Line of Credit Facility, Prepayment Fee Percentage						0.50%							
Neos Therapeutics, Inc. [Member] | Loan Agreement [Member] | London Interbank Offered Rate (LIBOR) [Member]													
Debt Instrument, Basis Spread on Variable Rate						4.50%							
Neos Therapeutics, Inc. [Member] | Senior Secured Credit Facility, Due on May 11, 2022 [Member]													
Debt Instrument, Face Amount													$ 60,000,000
Long-term Debt, Total		$ 15,600,000											

Long-term Debt, Current Maturities, Total		600,000						
Debt Instrument, Interest Rate, Stated Percentage	12.95%					12.95%	12.95%	
Debt Instrument, Covenant, Cash and Certain Cash Equivalents, Minimum	$ 5,000,000					$ 5,000,000	$ 5,000,000	
Repayments of Debt		15,000,000						
Long-term Debt, Gross	15,625,000	$ 16,600,000				$ 15,625,000	15,625,000	
Long-term Debt, Fair Value								$ 17,400,000
Debt Instrument, Unamortized Premium, Total								$ 800,000
Interest Expense, Debt, Excluding Amortization	$ 46,000							
Conversion of Debt to Common Stock [Member]								
Debt Conversion, Converted Instrument, Shares Issued (in shares)			130,081					
Debt Conversion, Original Debt, Amount			$ 800,000					
Gain (Loss) on Exchange of Debt			$ (300,000)					
Notes Payable, Other Payables [Member]								
Debt Instrument, Face Amount					$ 800,000			
Proceeds from Notes Payable, Total					$ 600,000			
Debt Instrument, Term (Month)				240 days				
Debt Instrument, Unamortized Discount (Premium), Net, Total				$ 200,000				
Amortization of Debt Discount (Premium)							$ 15,000	$ 70,000
Notes Payable, Other Payables [Member] | Innovus Pharmaceuticals [Member]								
Debt Instrument, Face Amount				$ 500,000				
Proceeds from Notes Payable, Total				$ 400,000				
Debt Instrument, Term (Month)				1 year				
Debt Instrument, Periodic Payment, Total				$ 45,000				

Note 15 - Debt - Long-term Debt (Details) - USD ($)	Mar. 31, 2021	Mar. 20, 2021	Mar. 19, 2021
Financing leases, maturing through May 2024	$ 307,000		
Neos Therapeutics, Inc. [Member]			
Exit fee	1,000,000		
Unamortized premium	724,000		
Financing leases, maturing through May 2024	307,000		
Total debt	17,656,000		
Less: current portion	(725,000)		
Long-term debt	16,931,000		
Senior Secured Credit Facility, Due on May 11, 2022 [Member] | Neos Therapeutics, Inc. [Member]			
Senior secured credit facility, due on May 11, 2022	$ 15,625,000		$ 16,600,000
Unamortized premium		$ 800,000	

Note 15 - Debt - Long-term Debt Maturities (Details) - Neos Therapeutics, Inc. [Member]	Mar. 31, 2021 USD ($)
2021, long-term debt and financing leases	$ 650,000
2022, long-term debt and financing leases	16,102,000
2023, long-term debt and financing leases	96,000
2024, long-term debt and financing leases	84,000
Future principal payments	16,932,000
Unamortized premium	724,000
Less: current portion	(725,000)
Long-term debt	$ 16,931,000

Note 16 - Segment Reporting (Details Textual)	6 Months Ended Dec. 31, 2020
Number of Reportable Segments	2

Note 16 - Segment Reporting - Select Financial Information for Segments (Details) - USD ($)	3 Months Ended						9 Months Ended		
	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	Mar. 31, 2021	Mar. 31, 2020	Jun. 30, 2020
Revenue	$ 13,482,000			$ 8,156,000			$ 42,150,000	$ 12,771,000	
Net loss	(25,459,791)	$ (9,525,294)	$ (4,305,931)	(5,332,305)	$ (214,247)	$ (4,929,030)	(39,291,016)	(10,475,582)	
Total assets	271,556,601						271,556,601		$ 153,293,123
Total assets	271,556,601						271,556,601		153,293,123
Aytu Bioscience [Member]									
Revenue	5,127,000			4,703,000			18,091,000	9,318,000	
Net loss	(23,570,000)			(4,421,000)			(34,788,000)	(9,565,000)	
Total assets	241,593,000						241,593,000		126,267,000
Total assets	241,593,000						241,593,000		126,267,000
Aytu Consumer Health [Member]									
Revenue	8,355,000			3,453,000			24,059,000	3,453,000	
Net loss	(1,890,000)			$ (911,000)			(4,503,000)	$ (911,000)	
Total assets	29,964,000						29,964,000		27,026,000
Total assets	$ 29,964,000						$ 29,964,000		$ 27,026,000

Note 17 - License Agreements (Details Textual) - USD ($) $ in Millions	1 Months Ended			12 Months Ended
	Oct. 31, 2018	Oct. 31, 2017	Feb. 29, 2016	Dec. 31, 2020
License Agreement 2014 [Member] | Maximum [Member] | Neos Therapeutics, Inc. [Member]				
Lump Sum, Non-refundable License Fee			$ 1.0	
License Agreement 2017 [Member] | Maximum [Member] | Neos Therapeutics, Inc. [Member]				
Lump Sum, Non-refundable License Fee		$ 1.0		
NeuRx License, Royalty Bearing License Agreement [Member]				
Payments for License Agreement	$ 0.2			$ 0.2
Payments for Contingent Consideration on License Agreement				$ 0.3

Note 18 - Related Party Transactions (Details Textual) - Tris Pharma, Inc. [Member] - USD ($) $ in Thousands	1 Months Ended	3 Months Ended	
	Oct. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Tris License Agreement [Member]			
Related Party Transaction, Amounts of Transaction		$ 900	$ 0
Due to Related Parties, Total		$ 22,800	$ 25,000
Karbinal Fixed Payment Obligation [Member]			
Related Party Transaction, Amounts of Transaction	$ 1,600		

Note 19 - Subsequent Events (Details Textual) - Purchase of Certain Rights and Other Assets from Sellers [Member] - Subsequent Event [Member] $ in Millions	Apr. 12, 2021 USD ($)
Payments to Acquire Productive Assets, Total	$ 1.5
Asset Purchase, Contingent Consideration Arrangements, Range of Outcomes, Value, High	$ 67.5