

ACERUS ANNOUNCES U.S. LICENSE AGREEMENT FOR NATESTO®

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TORONTO--(BUSINESS WIRE)-- Acerus Pharmaceuticals Corporation(TSX:ASP) today announced the signing of an agreement providing Aytu BioScience, Inc. (OTCMKTS:AYTU) with the exclusive rights to market NATESTO® in the United States, following the return of the product to Acerus in June of this year. NATESTO® is the first and only FDA-approved testosterone nasal gel indicated for replacement therapy in adult males diagnosed with hypogonadism.

Under the terms of the agreement, Acerus will receive a non-refundable upfront fee of US\$8.0 million of which US\$2.0 million is payable at signing, and the remaining US\$6.0 million payable in September 2016 and January 2017. Additionally, Acerus is eligible to receive payments of up to US\$37.5 million based on the achievement of certain sales milestones. Acerus will oversee the manufacturing of NATESTO® and receive a tiered supply price for the product.

“We are very pleased to announce the licensing of NATESTO® to Aytu for the U.S. market,” said Tom Rossi, President and Chief Executive Officer of Acerus. “Management’s proven track record of launching and scaling successful commercial operations within the specialty pharmaceutical industry, and the fact that Aytu is building a significant U.S. presence in men’s health, were instrumental in reaching this decision. We look forward to strengthening our relationship with our new partner as they prepare to commercialize NATESTO® in the U.S., and unlock the product’s full potential in this important therapeutic market.”

“The agreement with Acerus to commercialize NATESTO® in the U.S. represents Aytu’s most significant transaction to date,” said Josh Disbrow, Chief Executive Officer of Aytu BioScience. “NATESTO® compliments our portfolio of unique urology assets, and we expect the product to be a key value driver for Aytu going forward. We intend to build a strong and long-lasting relationship with Acerus based on successfully establishing NATESTO® as an important treatment option in the U.S. We are already preparing our sales force to engage prescribers with NATESTO® given our current focus on urologists and the key prescribers of testosterone replacement therapies.”

Concurrently with the execution of the license agreement, Aytu has also entered into a separate subscription agreement to purchase 12,245,411 common shares of Acerus on a private placement basis at a price of CDN\$0.207 for total gross proceeds of CDN\$2,534,800. This subscription price represents a 20 per cent premium to the five day trailing volume weighted average price of the Acerus common shares prior to execution of the agreement. The private placement is anticipated to close on or about April 28, 2016, subject to certain conditions, including the receipt of all necessary regulatory approvals (including the Toronto Stock Exchange). Acerus intends to use US\$3.0 million of the proceeds from the immediate upfront payment and subscription agreement to retire a portion of its existing senior secured indebtedness with MidCap Funding V Trust.

About NATESTO® (Testosterone) Nasal Gel

NATESTO® is approved and available in the United States for replacement therapy in adult males for conditions associated with a deficiency or absence of endogenous testosterone (hypogonadism). The product utilizes an innovative, bioadhesive nasal gel technology, allowing for convenient, ‘no-touch’ administration within seconds, rapid absorption and reduced risk of secondary transference to women and children. The U.S. testosterone replacement therapy market is valued at approximately US\$2.0 billion, of which topical formulations represent over 80 per cent of gross sales.

For further information about NATESTO® in the U.S., please visit: www.NATESTO.com.

NATESTO® is also approved in Canada, and is expected to be commercially available by mid-year 2016. A copy of the Canadian product monograph can be found at: <http://www.aceruspharma.com/English/products-and-pipeline/natesto/default.aspx>.

About Acerus

Acerus Pharmaceuticals Corporation is a Canadian pharmaceutical company focused on the development, manufacture, marketing and distribution of innovative, branded products that improve the patient experience.

Acerus markets ESTRACE® in Canada, a product indicated for the symptomatic relief of menopausal symptoms. NATESTO®, a product utilizing an Acerus licensed nasal gel technology, is the first and only testosterone nasal gel approved in Canada, and available in the United States for replacement therapy in adult males diagnosed with hypogonadism.

GYNOFLOR™, a product licensed to Acerus in Canada by Medinova AG, is an ultra-low dose vaginal estrogen therapy with the addition of lactobacillus, for the treatment of atrophic vaginitis, certain vaginal infections and to restore a healthy vaginal environment. TEFINA™, a 'use as required' nasal testosterone gel, is an Acerus drug development candidate aimed at addressing a significant unmet need for women with female sexual dysfunction.

For more information, visit www.aceruspharma.com and follow us on [Twitter](#) and [LinkedIn](#).

About Aytu BioScience, Inc.

Aytu BioScience is a commercial-stage specialty pharmaceutical company focused on global commercialization of novel products in the field of urology. Aytu's current portfolio of commercial and late-stage urology products addresses prostate cancer, urinary tract infections, male infertility and male sexual dysfunction, and the company plans to expand into other urological indications for which there are significant medical needs. The company currently markets ProstaScint® (capromab pendetide), the only radio-labeled monoclonal antibody that targets prostate specific membrane antigen (PSMA), a protein highly expressed by prostate cancer cells. ProstaScint is FDA-approved as an imaging agent for use in both newly diagnosed, high-risk prostate cancer patients and patients with recurrent prostate cancer. Aytu also markets Primsol® (trimethoprim hydrochloride) – the only FDA-approved trimethoprim-only oral solution for urinary tract infections. Additionally, Aytu markets the CE Marked MiOXSYS™ System outside the U.S. and is conducting U.S.-based clinical trials, following which the company plans to seek 510k de novo medical device clearance. The MiOXSYS System is a novel, rapid semen analysis system with the potential to become a standard of care in the diagnosis and management of male infertility. MiOXSYS is the only rapid test for assessing oxidative stress in semen and seminal plasma, a leading contributor of idiopathic male infertility. Aytu's strategy is to continue building its portfolio of revenue-generating urology products and late-stage development assets, leveraging its commercial team and expertise to further build those brands within well-established markets.

For more information, visit www.aytubio.com.

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 is subject to a number of risks and uncertainties, including with respect to the performance of NATESTO® and consummation of the private placement described in this press release 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 1, 2016 that 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.

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