

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
AYTU BIOSCIENCE, INC.		47-0883144	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
DAVE GREEN	720-437-6500	DGREEN@AYTUBIO.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
373 INVERNESS PARKWAY, SUITE 206		ENGLEWOOD, CO 80112	
8 Date of action		9 Classification and description	
AUGUST 25, 2017		1-FOR-20 REVERSE STOCK SPLIT	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
05 4754205		AYTU	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ EFFECTIVE AS OF 12:01 A.M. ON AUGUST 25, 2017, AYTU UNDERWENT A ONE-FOR-TWENTY REVERSE STOCK SPLIT OF THE CORPORATION'S COMMON STOCK.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ UPON EFFECTIVENESS OF THE ONE-FOR-TWENTY REVERSE STOCK SPLIT, EACH TWENTY SHARES OF COMMON STOCK ISSUED AND OUTSTANDING OR HELD AS TREASURY SHARES AT THE EFFECTIVE TIME WERE RECLASSIFIED AND COMBINED INTO ONE SHARE OF COMMON STOCK. NO FRACTIONAL SHARES WERE ISSUED IN THE REVERSE STOCK SPLIT. SHAREHOLDERS WHO WOULD OTHERWISE RECEIVE A FRACTIONAL SHARE, RECEIVED ONE WHOLE SHARE OF COMMON STOCK IN LIEU OF SUCH FRACTIONAL SHARE.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ POST SPLIT (NEW) BASIS PER SHARE EQUALS PRE SPLIT (OLD) BASIS DIVIDED BY THE NUMBER OF SHARES RECEIVED. WHILE THE BASIS PER SHARE IS IMPACTED, THE BASIS OF THE SHAREHOLDERS TOTAL INVESTMENT REMAINS UNCHANGED.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► THE TAX TREATMENT WITH RESPECT TO THE REVERSE STOCK SPLIT IS DETERMINED PURSUANT TO INTERNAL REVENUE CODE SECTIONS 354 AND 368. THE IMPACT ON A AYTU'S SHAREHOLDER'S BASIS IS DETERMINED PURSUANT TO INTERNAL REVENUE CODE SECTION 358.

18 Can any resulting loss be recognized? ► THE ONE-FOR-TWENTY REVERSE STOCK SPLIT SHOULD NOT CONSTITUTE A TAXABLE TRANSACTION. SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISOR TO DETERMINE THE TAX IMPACT OF THIS TRANSACTION WITH RESPECT TO THEIR INDIVIDUAL FACTS AND CIRCUMSTANCES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE REPORTABLE TAX YEAR IS 2017 FOR CALENDAR YEAR TAXPAYERS. FOR SHAREHOLDERS REPORTING TAXABLE INCOME ON A BASIS OTHER THAN CALENDAR YEAR THE REPORTABLE TAX YEAR IS THE SHAREHOLDERS TAX YEAR THAT INCLUDES AUGUST 25, 2017.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.


Sign Here

Signature ► _____ Date ► _____

Print your name ► DAVE GREEN

Title ► CFO

Paid Preparer Use Only

Print/Type preparer's name DAN ROUTH	Preparer's signature 	Date 2/8/18	Check <input type="checkbox"/> if self-employed	PTIN P01071969
Firm's name ► RSM US LLP	Firm's address ► 555 17TH STREET, SUITE 1000, DENVER, CO 80202		Firm's EIN ► 42-0714325	
			Phone no. 303-298-6400	