
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 12, 2016**

APTEVO THERAPEUTICS INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-37746
(Commission File Number)

81-1567056
(IRS Employer Identification No.)

2401 4th Avenue, Suite 1050
Seattle, Washington
(Address of Principal Executive Offices)

98121
(Zip Code)

Registrant's telephone number, including area code: **(206) 838-0500**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry Into a Material Definitive Agreement.

Aptevo Research and Development LLC (previously Emergent Product Development Seattle, LLC) (“**Aptevo R&D**”), a subsidiary of Aptevo Therapeutics, Inc. (the “**Company**”), and MorphoSys AG (“**MorphoSys**”) are parties to that certain License and Co-Development Agreement, dated as of August 19, 2014, as amended by that certain (i) First Amendment, effective as of July 8, 2015 and (ii) Second Amendment, effective as of December 7, 2015 (the “**Collaboration Agreement**”), pursuant to which Aptevo R&D and MorphoSys have agreed to the joint worldwide development and commercialization of MOR209/ES414, a targeted immunotherapeutic protein, which activates host T-cell immunity specifically against cancer cells expressing prostate specific membrane antigen, an antigen commonly overexpressed on prostate cancer cells. MOR209/ES414 was constructed using the Company’s proprietary ADAPTIR platform technology.

On December 12, 2016, Aptevo R&D entered into a Third Amendment to License and Co-Development Agreement (the “**Third Amendment**”) pursuant to which Aptevo R&D and MorphySys agreed to amend the Supply Agreement to, among other things, amend the allocation of certain manufacturing and development costs thereunder and amend the convenience termination rights of MorphoSys. Under the terms of the Third Amendment, Aptevo R&D will bear 75% of all development costs with respect to MOR209/ES414, and MorphoSys will bear 25% of such costs, during the period from January 1, 2017 through June 30, 2017. During the period from July 1, 2017 through December 31, 2018, Aptevo R&D will bear 49% of such development costs and MorphoSys will bear 51%. Beyond January 1, 2019, Aptevo will bear 36% and MorphoSys will bear 64% of such development costs. Under the revised termination rights, Morphosys can terminate the Collaboration Agreement for convenience (i) within one week following the receipt and discussion of certain test results or (ii) at any time during the last two weeks of June 2017.

The foregoing description of the Third Amendment is not complete and is qualified in its entirety by reference to the full text of such amendment, a copy of which is filed herewith as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

See Exhibit Index attached hereto.

SIGNATURE

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.

APTEVO THERAPEUTICS INC.

Date: December 15, 2016

By: /s/ Shawnte Mitchell
Shawnte Mitchell, Secretary, Vice President and General Counsel

EXHIBIT INDEX

Exhibit Number	Exhibit Description
10.1	Third Amendment to License and Co-Development Agreement, dated as of December 12, 2016 by and between Aptevo Research and Development LLC and MorphoSys AG.

**THIRD AMENDMENT
TO LICENSE AND CO-DEVELOPMENT AGREEMENT**

THIS THIRD AMENDMENT ("**Third Amendment**") effective as of December 8, 2016 ("**Effective Date**"), is made by and between **MorphoSys AG**, a German corporation (registered at the District Court of Munich, HRB121023) having an office and place of business at Lena-Christ-Str. 48, 82152 Martinsried/Planegg, Germany, (collectively with its affiliates, "**Morphosys**") and **Aptevo Research and Development LLC** (previously Emergent Product Development Seattle, LLC), a US corporation (registered in Delaware, N° 4858233) having an office and place of business at 2401 Fourth Avenue, Suite 1050, Seattle, Washington, USA ("**Aptevo**").

WHEREAS, Aptevo and MorphoSys entered into that License and Co-Development Agreement dated as of August 19, 2014, as amended by first amendment effective as of July 8, 2015 and by second amendment effective as of December 7, 2015 ("**Agreement**"); and

WHEREAS, Aptevo and MorphoSys now desire to further amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Aptevo and MorphoSys hereby agree as follows:

1. **Incorporation of Recitals; Capitalized Terms**. The Recitals set forth above are deemed to be true and accurate in all respects and are hereby incorporated into this Third Amendment by reference. Capitalized terms used herein shall have the same meanings ascribed to them in the Agreement unless otherwise expressly defined herein.

2. **Section 4.4.1 (a) of the Agreement shall be deleted in its entirety and replaced as follows:**

4.4.1 General.

(a)

- (i) Calendar Year 2016. Aptevo shall bear seventy-five percent (75%) of all Development Costs for the Calendar Year 2016 and MorphoSys shall bear twenty-five percent (25%) of all Development Costs for the Calendar Year 2016 (whether incurred by Aptevo or MorphoSys or their respective Affiliates, sublicensees or subcontractors) set forth in the Development Budget for the Calendar Year 2016 with respect to any Development Activities for the Calendar Year 2016 (including Manufacturing Development Activities); *provided, however*, that Development Costs for the Calendar Year 2016 incurred by Aptevo or its Affiliates, sublicensees or subcontractors (and shared by MorphoSys twenty-five percent (25%)), will be limited to Four Million Four Hundred Seventy Five Thousand Dollars (\$4,475,000) in 2016 and Development Costs for the Calendar Year 2016 incurred by MorphoSys or its Affiliates, sublicensees or subcontractors (and shared by Aptevo seventy-five (75%)) will be limited to One Million Five Hundred Eight Thousand Euros (\$1,508,000). If expenses incurred by either Party in Calendar Year 2016 exceed those listed above, then the additional expenses shall be paid by the

Party incurring them—unless the other Party agrees in advance to share the additional expenses according to the percentages given above.

- (ii) Calendar Year 2017.
 - (x) Aptevo shall bear seventy-five percent (75%) of all Development Costs from January 1, 2017 to June 30, 2017 and MorphoSys shall bear twenty-five percent (25%) of all Development Costs from January 1, 2017 to June 30, 2017 (whether incurred by Aptevo or MorphoSys or their respective Affiliates, sublicensees or subcontractors) as set forth in the Development Budget for the Calendar Year 2017 (including Manufacturing Development Activities).
 - (y) Aptevo shall bear forty-nine percent (49%) of all Development Costs from July 1, 2017 to December 31, 2017 and MorphoSys shall bear fifty-one percent (51%) of all Development Costs from July 1, 2017 to December 31, 2017 (whether incurred by Aptevo or MorphoSys or their respective Affiliates, sublicensees or subcontractors) as set forth in the Development Budget for the Calendar Year 2017 (including Manufacturing Development Activities).
- (iii) Calendar Year 2018. Aptevo shall bear forty-nine percent (49%) of all Development Costs for the Calendar Year 2018 and MorphoSys shall bear fifty-one percent (51%) of all Development Costs for the Calendar Year 2018 (whether incurred by Aptevo or MorphoSys or their respective Affiliates, sublicensees or subcontractors) set forth in the Development Budget for the Calendar Year 2018 (including Manufacturing Development Activities).
- (iv) Calendar Years 2019 and beyond. Aptevo shall bear thirty-six percent (36%) of all Development Costs for the Calendar Year 2019 and all subsequent Calendar Years and MorphoSys shall bear sixty-four percent (64%) of all Development Costs for the Calendar Year 2019 and all subsequent Calendar Years (whether incurred by Aptevo or MorphoSys or their respective Affiliates, sublicensees or subcontractors) set forth in the applicable Development Budget with respect to any Development Activities for the Calendar Year 2019 and all subsequent Calendar Years (including Manufacturing Development Activities). Notwithstanding the foregoing, beginning in Calendar Year 2019 Aptevo's obligation to bear its thirty-six percent (36%) share of all Development Costs is subject to the Development Cost Cap.

3. Article 13.2 b) of the Agreement shall be deleted in its entirety and replaced as follows:

13.2 b)

MorphoSys shall also have the right to terminate the Agreement at its sole unfettered discretion by written notice either: (i) with immediate effect (i.e. with no notice period) within one week after the ADA test results from six (6) subjects participating under the ES414 Protocol 401 Amendment 2 of the Phase I/II Clinical

Trial Dose Escalation Phase that have been treated for three (3) twenty-eight (28) day cycles (or the relevant number of cycles and days on treatment foreseen in ES414 Protocol 401 Amendment 2), have been obtained and have been discussed at a JSC meeting, or (ii) at any time during the last two (2) weeks of June 2017 with effect as of June 30, 2017, but regardless whether (i) or (ii) occurs first. For the avoidance of doubt continuous payment obligations from MorphoSys to Aptevo pursuant to Article 14.1.2 shall not apply if MorphoSys terminates the Agreement pursuant to this Article 13.2 (b).

4. Interpretation; Full Force And Effect; Counterparts. Except as expressly amended hereby, the Agreement shall continue in full force and effect. This Third Amendment is incorporated and made a part of the Agreement between MorphoSys and Aptevo. In the event of any conflict or inconsistency between the Agreement and this Third Amendment, the latter shall prevail. This Third Amendment may be executed by the Parties hereto in one or more counterparts, all of which shall be valid and binding on the Party or Parties executing them and all counterparts shall constitute one and the same document for all purposes. Each Party hereto represents and warrants that this Third Amendment has been duly authorized, executed and delivered by or on behalf of such Party.

IN WITNESS WHEREOF, Aptevo and Morphosys have entered into this Amendment as of the Effective Date.

Aptevo Research and Development LLC

By: /s/ Marvin White
Name: Marvin White
Title: President and CEO
Date: November 22, 2016

MorphoSys AG

By: <u>/s/ S.E. Moroney</u>	By: <u>/s/ Arndt Schottelius</u>
Name: <u>S.E. Moroney</u>	Name: <u>Arndt Schottelius</u>
Title: <u>CEO</u>	Title: <u>CDO</u>
Date: <u>December 12, 2016</u>	Date: <u>December 12, 2016</u>