

**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): March 29, 2023

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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	APVO	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

Item 1.01 Entry into a Material Definitive Agreement.

Background

As previously disclosed, Aptevo Therapeutics Inc. (the “Company”) entered into an LLC Purchase Agreement (the “Sale Agreement”) on February 28, 2020 with Medexus Pharma, Inc. (“Medexus”), pursuant to which, among other things, (i) the Company sold all of the outstanding membership interests in Aptevo BioTherapeutics LLC to Medexus and Medexus thereby acquired IXINITY, and (ii) the Company has the right to receive from Medexus (a) payments representing an increasing percentage of the net sales of IXINITY for a period designated in the Sale Agreement (the “Deferred Payments”), (b) a milestone payment of \$1,000,000 upon receipt of a Notice of Compliance for IXINITY from Health Canada pursuant to Section C.08.004(1)(a) of the Food and Drugs Act of Canada (the “Canadian Approval Milestone Payment”), (c) a milestone payment of \$1,000,000, for a maximum payment of \$5,000,000, upon receipt of the applicable regulatory approval in each of Germany, France, the United Kingdom, Spain and Italy (the “European Approval Milestone Payments”) and (d) a milestone payment of \$5,000,000 after the end of the first fiscal year in which worldwide net sales of IXINITY for that fiscal year meet or exceed an amount of \$120,000,000 (the “Net Sales Milestone Payment”, and together with the European Approval Milestone Payments and the Canadian Approval Milestone Payment, the “Milestone Payments”).

Payment Interest Purchase Agreement

On March 29, 2023, the Company entered into and closed a payment interest purchase agreement (the “Purchase Agreement”) with XOMA (US) LLC (“XOMA”) pursuant to which the Company sold to XOMA its right, title and interest in and to all of the Deferred Payments and a portion of the Milestone Payments. Under the terms of the Purchase Agreement, the Company received \$9,600,000 million at closing (the “Closing Payment”) and the Company is eligible to receive additional post-closing payment of \$50,000 (the “Post-Closing Payment”) if the Deferred Payment in respect of net sales under the Sale Agreement for the first calendar quarter of 2023 (“Q1 2023”) exceeds \$500,000. In exchange for the Closing Payment, the Company sold to XOMA its right, title and interest to the following payments under the Sale Agreement: (i) 100% of the Company’s entitlement to receive the Deferred Payments that may become due and payable following March 29, 2023 (including, for avoidance of doubt, any and all payments earned during Q1 2023), (ii) 25% of the Company’s entitlement to receive the Canadian Approval Milestone Payment; and (iii) 50% of the Company’s entitlement to receive the European Approval Milestone Payments and Net Sales Milestone Payment.

The foregoing description of the Purchase Agreement is a summary, is not complete, and is qualified in its entirety by the full text of the Purchase Agreement, a copy of which the Company intends to file as an exhibit to its Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

Item 1.02 Termination of a Material Definitive Agreement.

On March 29, 2023, in connection with the closing of the Purchase Agreement, the Company repaid in full all indebtedness, liabilities and other obligations under, and terminated, that certain Credit Agreement by and between the Company and MidCap Financial Trust (“MidCap”), dated August 5, 2020 as amended from time to time. The Credit Agreement was terminated on March 29, 2023.

Item 7.01 Regulation FD Disclosure.

A copy of the Press Release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release dated March 30, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

APTEVO THERAPEUTICS INC.

Date: March 30, 2023

By: /s/ Marvin L. White

Marvin L. White

President and Chief Executive Officer



Aptevo Therapeutics Raises \$9.6 Million in Non-Dilutive Funding

Completes Sale of IXINITY Deferred Payments and Portion of Milestones from Medexus to XOMA Corporation

SEATTLE, WA – March 30, 2023 – Aptevo Therapeutics Inc. (“Aptevo” or the “Company”) (Nasdaq: APVO), a clinical-stage biotechnology company focused on developing novel immuno-oncology therapeutics based on its proprietary ADAPTIR™ and ADAPTIR-FLEX™ platform technologies, today announced that the Company has raised \$9.6 million in non-dilutive funding, extending its cash runway beyond 12 months with an additional \$50,000 possible based on IXINITY sales in Q123. Aptevo raised this funding by closing a transaction for the complete sale of all future IXINITY deferred payments and a portion of IXINITY milestones to XOMA Corporation. A portion of the proceeds was used to fully repay the existing debt facility on the Company’s balance sheet.

Independent of the agreement and in addition to the receipt of the above referenced \$9.6 million, Aptevo retains rights to potential milestones related to regulatory approvals and IXINITY worldwide net sales of up to an additional \$5.8 million, as follows:

- \$750,000 for Canadian registration
- Up to \$2.5 million for regulatory approval in certain European countries (\$0.5 million each upon the regulatory approval from the appropriate governmental body in each of Germany, France, United Kingdom, Spain, and Italy)
- \$2.5 million for the first fiscal year should worldwide net sales meet or exceed \$120 million
- These milestones may be earned up to February 28, 2035

“We are pleased to share that yet again, we are able to deliver non-dilutive funding for the Company on behalf of our shareholders, extending value in a market that continues to challenge our industry,” said Jeff Lamothe, Chief Operating Officer at Aptevo. “Throughout these challenging times – first the pandemic and then the market downturn – we have successfully remained focused on advancing our work. With this transaction we are reinforcing our commitment to both shareholders and to patients who may benefit from our ultimate success.”

Daphne Taylor, Chief Financial Officer at Aptevo continued “With this transaction we now have approximately \$26 million in cash after using a portion of the proceeds to fully repay the debt on our balance sheet. This strongly positions us going forward as a debt-free Company and eliminating all future interest payments on the debt. This further demonstrates our continued focus on cash conservation and deployment against value-building programs.”

About Aptevo Therapeutics Inc.

Aptevo Therapeutics Inc. is a clinical-stage biotechnology company focused on developing novel immunotherapies for the treatment of cancer. Aptevo is seeking to improve treatment outcomes of cancer patients. For more information, please visit www.aptevotherapeutics.com.

Safe Harbor Statement

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, including, without limitation, Aptevo's expectations regarding the effectiveness of its ADAPTIR and ADAPTIR-FLEX platforms, whether Aptevo will continue to have momentum in its business in the future, whether Medexus can achieve regulatory approvals in Canada and certain countries in Europe for Aptevo to earn milestones, statements related to Aptevo's cash position and balance sheet, statements related to Aptevo's ability to generate stockholder value, and any other statements containing the words "may," "anticipate," "continue to," "believes," "expects," "intended to," "potential," "designed," "plans," "will" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on Aptevo's current intentions, beliefs, and expectations regarding future events. Aptevo cannot guarantee that any forward-looking statement will be accurate. Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from Aptevo's expectations. Investors are, therefore, cautioned not to place undue reliance on any forward-looking statement.

There are several important factors that could cause Aptevo's actual results to differ materially from those indicated by such forward-looking statements, including, among others, a deterioration in Aptevo's business or prospects, adverse events and unanticipated problems, and changes in regulatory, social, macroeconomic, and political conditions. For instance, actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the uncertainties inherent in the results of preliminary data and pre-clinical studies being predictive of the results of later-stage clinical trials, the availability and timing of data from ongoing clinical trials, expectations for the timing and steps required in the regulatory review process, including our ability to obtain regulatory clearance, expectations for regulatory approvals, the impact of competitive products, our ability to enter into agreements with strategic partners or raise funds on acceptable terms or at all and other matters that could affect the availability or commercial potential of Aptevo's product candidates, business or economic disruptions due to catastrophes or other events, including natural disasters or public health crises such as the coronavirus (referred to as COVID-19), geopolitical risks, including the current war between Russia and Ukraine, and macroeconomic conditions such as economic uncertainty, rising inflation and interest rates, conditions in the banking system and financial markets, including the failure of banks and financial institutions, increased market volatility and decreased consumer confidence. These risks are not exhaustive, Aptevo faces known and unknown risks. Additional risks and factors that may affect results are set forth in Aptevo's filings with the Securities and Exchange Commission, including

its Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and its subsequent reports on Form 10-Q and current reports on Form 8-K. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from Aptevo's expectations in any forward-looking statement. Any forward-looking statement speaks only as of the date of this press release, and, except as required by law, Aptevo does not assume any obligation to update any forward-looking statement to reflect new information, events, or circumstances.

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