

---

---

**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, 2014

OR

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

Commission File Number: 000-15006

**CELLDEX THERAPEUTICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**No. 13-3191702**  
(I.R.S. Employer Identification No.)

**Perryville III Building, 53 Frontage Road, Suite 220, Hampton, New Jersey 08827**  
(Address of principal executive offices) (Zip Code)

**(908) 200-7500**  
(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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

As of April 22, 2014, 89,357,843 shares of common stock, \$.001 par value per share, were outstanding.

---

---

**Part I—Financial Information**

<a href="#">Item 1. Unaudited Financial Statements</a>	3
<a href="#">Condensed Consolidated Balance Sheets at March 31, 2014 and December 31, 2013</a>	3
<a href="#">Condensed Consolidated Statements of Operations and Comprehensive Loss for the Three Months Ended March 31, 2014 and 2013</a>	4
<a href="#">Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2014 and 2013</a>	5
<a href="#">Notes to Unaudited Condensed Consolidated Financial Statements</a>	6
<a href="#">Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	11
<a href="#">Item 3. Quantitative and Qualitative Disclosures About Market Risk</a>	22
<a href="#">Item 4. Controls and Procedures</a>	23
<b>Part II — Other Information</b>	
<a href="#">Item 1A. Risk Factors</a>	23
<a href="#">Item 6. Exhibits</a>	24
<a href="#">Signatures</a>	25
<a href="#">Exhibit Index</a>	26

[Table of Contents](#)**PART I—FINANCIAL INFORMATION****Item 1. Unaudited Financial Statements**

**CELLDEX THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

(In thousands, except share and per share amounts)

	March 31, 2014	December 31, 2013
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 56,902	\$ 169,402
Marketable Securities	217,324	133,581
Accounts and Other Receivables	305	489
Prepaid and Other Current Assets	2,288	1,717
Total Current Assets	<u>276,819</u>	<u>305,189</u>
Property and Equipment, Net	10,216	9,973
Intangible Assets, Net	22,567	22,820
Other Assets	132	148
Goodwill	8,965	8,965
Total Assets	<u>\$ 318,699</u>	<u>\$ 347,095</u>
<b>LIABILITIES AND STOCKHOLDERS’ EQUITY</b>		
Current Liabilities:		
Accounts Payable	\$ 3,414	\$ 2,243
Accrued Expenses	14,966	17,179
Current Portion of Long-Term Liabilities	1,127	928
Total Current Liabilities	<u>19,507</u>	<u>20,350</u>
Other Long-Term Liabilities	7,346	6,950
Total Liabilities	<u>26,853</u>	<u>27,300</u>
Commitments and Contingent Liabilities		
Stockholders’ Equity:		
Convertible Preferred Stock, \$.01 Par Value; 3,000,000 Shares Authorized; No Shares Issued and Outstanding at March 31, 2014 and December 31, 2013	—	—
Common Stock, \$.001 Par Value; 297,000,000 Shares Authorized; 89,357,843 and 89,246,832 Shares Issued and Outstanding at March 31, 2014 and December 31, 2013, respectively	89	89
Additional Paid-In Capital	664,669	662,717
Accumulated Other Comprehensive Income	2,670	2,668
Accumulated Deficit	<u>(375,582)</u>	<u>(345,679)</u>

Total Stockholders' Equity	291,846	319,795
Total Liabilities and Stockholders' Equity	<u>\$ 318,699</u>	<u>\$ 347,095</u>

See accompanying notes to unaudited condensed consolidated financial statements

3

[Table of Contents](#)

**CELLDEX THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(Unaudited)**

(In thousands, except per share amounts)

	Three Months Ended	
	March 31, 2014	March 31, 2013
<b>REVENUE:</b>		
Product Development and Licensing Agreements	\$ 35	\$ 30
Contracts and Grants	381	50
Product Royalties	—	2,334
Total Revenue	<u>416</u>	<u>2,414</u>
<b>OPERATING EXPENSE:</b>		
Research and Development	27,070	14,090
Royalty	—	2,334
General and Administrative	4,582	3,138
Amortization of Acquired Intangible Assets	253	253
Total Operating Expense	<u>31,905</u>	<u>19,815</u>
Operating Loss	(31,489)	(17,401)
Investment and Other Income, Net	1,586	379
Interest Expense	—	(310)
Net Loss	<u>\$ (29,903)</u>	<u>\$ (17,332)</u>
Basic and Diluted Net Loss Per Common Share (Note 3)	<u>\$ (0.33)</u>	<u>\$ (0.23)</u>
Shares Used in Calculating Basic and Diluted Net Loss per Share (Note 3)	<u>89,270</u>	<u>74,027</u>
<b>COMPREHENSIVE LOSS:</b>		
Net Loss	\$ (29,903)	\$ (17,332)
Other Comprehensive (Loss) Income:		
Foreign Currency Translation Adjustments	1	(2)
Unrealized (Loss) Gain on Marketable Securities	1	(54)
Comprehensive Loss	<u>\$ (29,901)</u>	<u>\$ (17,388)</u>

See accompanying notes to unaudited condensed consolidated financial statements

4

[Table of Contents](#)

**CELLDEX THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

(In thousands)

	Three Months Ended	
	March 31, 2014	March 31, 2013
<b>Cash Flows from Operating Activities:</b>		
Net Loss	\$ (29,903)	\$ (17,332)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization	579	468
Amortization of Intangible Assets	253	253
Amortization and Premium of Marketable Securities	(2,129)	(969)
Stock-Based Compensation Expense	1,250	708
Non-Cash Interest Expense	—	56
Changes in Operating Assets and Liabilities:		
Accounts and Other Receivables	184	(60)
Prepaid and Other Current Assets	(1,051)	(1,234)
Other Assets	16	188
Accounts Payable and Accrued Expenses	(1,669)	206

Other Liabilities	595	516
Net Cash Used in Operating Activities	<u>(31,875)</u>	<u>(17,200)</u>
<b>Cash Flows from Investing Activities:</b>		
Sales and Maturities of Marketable Securities	31,283	7,394
Purchases of Marketable Securities	(112,416)	(53,809)
Acquisition of Property and Equipment	(195)	(162)
Net Cash Used in Investing Activities	<u>(81,328)</u>	<u>(46,577)</u>
<b>Cash Flows from Financing Activities:</b>		
Net Proceeds from Stock Issuances	—	114,187
Proceeds from Issuance of Stock from Employee Benefit Plans	702	1,660
Payments of Term Loan	—	(1,323)
Payments of Other Liabilities	—	(15)
Net Cash Provided by Financing Activities	<u>702</u>	<u>114,509</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>1</u>	<u>(2)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(112,500)	50,730
Cash and Cash Equivalents at Beginning of Period	<u>169,402</u>	<u>24,897</u>
Cash and Cash Equivalents at End of Period	<u>\$ 56,902</u>	<u>\$ 75,627</u>

See accompanying notes to unaudited condensed consolidated financial statements

[Table of Contents](#)

**CELLDEX THERAPEUTICS, INC.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
**March 31, 2014**

**(1) Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared by Celldex Therapeutics, Inc. (the “Company” or “Celldex”) in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and reflect the operations of the Company and its wholly-owned subsidiary. All intercompany transactions have been eliminated in consolidation.

These interim financial statements do not include all the information and footnotes required by U.S. GAAP for annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2013, which are included in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 3, 2014. In the opinion of management, the interim financial statements reflect all normal recurring adjustments necessary to fairly state the Company’s financial position and results of operations for the interim periods presented. The year-end consolidated balance sheet data presented for comparative purposes was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP.

The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for any future interim period or the fiscal year ending December 31, 2014.

At March 31, 2014, the Company had cash, cash equivalents and marketable securities of \$274.2 million. The Company incurred a loss of \$29.9 million for the three months ended March 31, 2014. Net cash used in operations for the three months ended March 31, 2014 was \$31.9 million. The Company believes that the cash, cash equivalents and marketable securities at March 31, 2014 will be sufficient to meet estimated working capital requirements and fund planned operations for at least the next twelve months.

During the next twelve months, the Company may take further steps to raise additional capital to meet its long-term liquidity needs. These capital raising activities may include, but may not be limited to, one or more of the following: the licensing of technology programs with existing or new collaborative partners, possible business combinations, issuance of debt, or the issuance of common stock or other securities via private placements or public offerings. While the Company continues to seek capital through a number of means, there can be no assurance that additional financing will be available on acceptable terms, if at all, and the Company’s negotiating position in capital-raising efforts may worsen as existing resources are used. There is also no assurance that the Company will be able to enter into further collaborative relationships. Additional equity financing may be dilutive to the Company’s stockholders; debt financing, if available, may involve significant cash payment obligations and covenants that restrict the Company’s ability to operate as a business; and licensing or strategic collaborations may result in royalties or other terms which reduce the Company’s economic potential from products under development.

**(2) Significant Accounting Policies**

The significant accounting policies used in preparation of these condensed consolidated financial statements for the three months ended March 31, 2014 are consistent with those discussed in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2013, except for the adoption of new accounting standards during the first three months of 2014 as discussed below.

*Recent Accounting Pronouncements*

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on the Company’s financial position or results of operations upon adoption.

### (3) Net Loss Per Share

Basic net loss per common share is based upon the weighted-average number of common shares outstanding during the period, excluding restricted stock that has been issued but is not yet vested. Diluted net loss per common share is based upon the weighted-average number of common shares outstanding during the period plus additional weighted-average potentially dilutive

6

#### [Table of Contents](#)

common shares outstanding during the period when the effect is dilutive. The potentially dilutive common shares that have not been included in the net loss per common share calculations because the effect would have been anti-dilutive are as follows:

	As of March 31,	
	2014	2013
Stock options	5,667,953	5,085,309
Restricted stock	3,000	3,000
	<u>5,670,953</u>	<u>5,088,309</u>

### (4) Comprehensive Loss

The changes in Accumulated Other Comprehensive Income by component for the three months ended March 31, 2014 and 2013 are summarized below. No amounts were reclassified out of accumulated other comprehensive income during the three months ended March 31, 2014 and 2013.

	Unrealized Gain (Loss) on Marketable Securities, net of tax	Foreign Currency Items (In thousands)	Total
Balance at December 31, 2013	\$ 82	\$ 2,586	\$ 2,668
Other comprehensive income (loss) before reclassifications	1	1	2
Amounts reclassified from other comprehensive income	—	—	—
Net current-period other comprehensive income	1	1	2
Balance at March 31, 2014	<u>\$ 83</u>	<u>\$ 2,587</u>	<u>\$ 2,670</u>
Balance at December 31, 2012	\$ 156	\$ 2,589	\$ 2,745
Other comprehensive income (loss) before reclassifications	(54)	(2)	(56)
Amounts reclassified from other comprehensive income	—	—	—
Net current-period other comprehensive income	(54)	(2)	(56)
Balance at March 31, 2013	<u>\$ 102</u>	<u>\$ 2,587</u>	<u>\$ 2,689</u>

### (5) Fair Value Measurements

The following tables set forth the Company's financial assets subject to fair value measurements:

	As of March 31, 2014	Level 1	Level 2	Level 3
	(In thousands)			
Money market funds and cash equivalents	\$ 53,361	\$ —	\$ 53,361	\$ —
Marketable securities	217,324	—	217,324	—
	<u>\$ 270,685</u>	<u>\$ —</u>	<u>\$ 270,685</u>	<u>\$ —</u>

  

	As of December 31, 2013	Level 1	Level 2	Level 3
	(In thousands)			
Money market funds and cash equivalents	\$ 148,549	\$ —	\$ 148,549	\$ —
Marketable securities	133,581	—	133,581	—
	<u>\$ 282,130</u>	<u>\$ —</u>	<u>\$ 282,130</u>	<u>\$ —</u>

There have been no transfers of assets or liabilities between the fair value measurement classifications. The Company's financial instruments consist mainly of cash and cash equivalents, marketable securities, short-term accounts receivable and accounts payable. The Company values its marketable securities utilizing independent pricing services which normally derive security prices from recently reported trades for identical or similar securities, making adjustments based on significant observable transactions. At each balance sheet date, observable market inputs may include trade information, broker or dealer quotes, bids, offers or a combination of these data sources. Short-term accounts receivable and accounts payable are reflected in the accompanying consolidated financial statements at cost, which approximates fair value due to the short-term nature of these instruments.

7

#### [Table of Contents](#)

### (6) Marketable Securities

A summary of marketable securities is shown below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
(In thousands)				
<b>March 31, 2014</b>				
Marketable securities				
U.S. government and municipal obligations				
Maturing in one year or less	\$ 40,967	\$ 32	\$ —	\$ 40,999
Maturing after one year through three years	43,248	84	(23)	43,309
Total U.S. government and municipal obligations	<u>\$ 84,215</u>	<u>\$ 116</u>	<u>\$ (23)</u>	<u>\$ 84,308</u>
Corporate debt securities				
Maturing in one year or less	\$ 96,375	\$ 38	\$ (29)	\$ 96,384
Maturing after one year through three years	36,651	12	(31)	36,632
Total corporate debt securities	<u>\$ 133,026</u>	<u>\$ 50</u>	<u>\$ (60)</u>	<u>\$ 133,016</u>
Total marketable securities	<u>\$ 217,241</u>	<u>\$ 166</u>	<u>\$ (83)</u>	<u>\$ 217,324</u>

<b>December 31, 2013</b>				
Marketable securities				
U.S. government and municipal obligations				
Maturing in one year or less	\$ 55,531	\$ 27	\$ (4)	\$ 55,554
Maturing after one year through three years	18,234	56	(4)	18,286
Total U.S. government and municipal obligations	<u>\$ 73,765</u>	<u>\$ 83</u>	<u>\$ (8)</u>	<u>\$ 73,840</u>
Corporate debt securities				
Maturing in one year or less	\$ 38,973	\$ 9	\$ (9)	\$ 38,973
Maturing after one year through three years	20,761	12	(5)	20,768
Total corporate debt securities	<u>\$ 59,734</u>	<u>\$ 21</u>	<u>\$ (14)</u>	<u>\$ 59,741</u>
Total marketable securities	<u>\$ 133,499</u>	<u>\$ 104</u>	<u>\$ (22)</u>	<u>\$ 133,581</u>

The marketable securities held by the Company were high investment grade and there were no marketable securities that the Company considered to be other-than-temporarily impaired as of March 31, 2014. Marketable securities include \$1.3 million and \$0.9 million in accrued interest at March 31, 2014 and December 31, 2013, respectively.

## (7) Intangible Assets and Goodwill

Intangible assets, net of accumulated amortization, and goodwill are as follows:

	Estimated Life	March 31, 2014			December 31, 2013		
		Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
(In thousands)							
Intangible Assets:							
IPR&D	Indefinite	\$ 11,800	\$ —	\$ 11,800	\$ 11,800	\$ —	\$ 11,800
Amgen Amendment	16 years	14,500	(4,036)	10,464	14,500	(3,812)	10,688
Core Technology	11 years	1,296	(993)	303	1,296	(964)	332
Total Intangible Assets		<u>\$ 27,596</u>	<u>\$ (5,029)</u>	<u>\$ 22,567</u>	<u>\$ 27,596</u>	<u>\$ (4,776)</u>	<u>\$ 22,820</u>
Goodwill	Indefinite	<u>\$ 8,965</u>	<u>\$ —</u>	<u>\$ 8,965</u>	<u>\$ 8,965</u>	<u>\$ —</u>	<u>\$ 8,965</u>

The IPR&D intangible asset was recorded in connection with the acquisition of CuraGen and relates to the development of glembatumumab vedotin. At the date of acquisition and at March 31, 2014, glembatumumab vedotin had not yet reached technological feasibility nor did it have any alternative future use. Glembatumumab vedotin is in a randomized study for the treatment of triple negative breast cancer designed to obtain accelerated approval.

## [Table of Contents](#)

## (8) Other Long-Term Liabilities

Other long-term liabilities include the following:

	March 31, 2014	December 31, 2013
(In thousands)		
Deferred Rent	\$ 501	\$ 419
Net Deferred Tax Liability related to IPR&D	4,661	4,661
Deferred Income from Sale of Tax Benefits	2,252	1,630
Deferred Revenue	1,059	1,168
Total	<u>8,473</u>	<u>7,878</u>
Less Current Portion	(1,127)	(928)
Long-Term Portion	<u>\$ 7,346</u>	<u>\$ 6,950</u>

In January 2014, 2013, 2012 and 2011, the Company received approval from the New Jersey Economic Development Authority and agreed to sell New Jersey tax benefits worth \$1.1 million, \$0.8 million, \$0.8 million and \$0.6 million to an independent third party for \$1.0 million, \$0.8 million, \$0.7 million and \$0.5 million, respectively. Under the agreement, the Company must maintain a base of operations in New Jersey for five years or the tax benefits must be paid back on a pro-rata basis based on the number of years completed. During the three months ended March 31, 2014 and 2013, the Company recorded \$0.4 million and \$0.2 million to other income related to the sale of these tax benefits, respectively.

In September 2013, the Company entered into an agreement with Rockefeller University pursuant to which the Company will perform research and development services for Rockefeller. The agreement includes an approved project plan for the development services of \$4.8 million and a term of three years. The agreement included an upfront payment of \$1.3 million which is being recognized as revenue over the term of the agreement. The Company will bill Rockefeller quarterly for actual time and direct costs incurred and record those amounts to revenue in the quarter the services are performed. The Company recorded \$0.4 million in revenue related to the Rockefeller agreement during the three months ended March 31, 2014.

## (9) Stockholders' Equity

During the three months ended March 31, 2013, the Company issued 2,433,608 shares of its common stock under its controlled equity offering sales agreement with Cantor Fitzgerald & Co., as amended, resulting in net proceeds to the Company of \$17.1 million, after deducting commission and offering expenses.

During the three months ended March 31, 2013, the Company issued 13,800,000 shares of its common stock in an underwritten public offering resulting in net proceeds to the Company of \$97.0 million, after deducting underwriting fees and offering expenses.

## (10) Stock-Based Compensation

A summary of stock option activity for the three months ended March 31, 2014 is as follows:

	Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (In Years)
Options Outstanding at December 31, 2013	5,770,544	\$ 8.17	7.0
Granted	12,750	\$ 26.37	
Exercised	(107,814)	\$ 6.10	
Canceled	(7,527)	\$ 10.46	
Options Outstanding at March 31, 2014	<u>5,667,953</u>	\$ 8.25	6.8
Options Vested and Expected to Vest at March 31, 2014	<u>5,627,995</u>	\$ 8.21	6.8
Options Exercisable at March 31, 2014	3,371,583	\$ 6.22	5.5
Shares Available for Grant under the 2008 Plan	2,097,719		

## [Table of Contents](#)

The weighted average grant-date fair value of stock options granted during the three months ended March 31, 2014 was \$16.91. Stock-based compensation expense for the three months ended March 31, 2014 and 2013 was recorded as follows:

	Three months ended March 31,	
	2014	2013
	(In thousands)	
Research and development	\$ 591	\$ 441
General and administrative	659	267
Total stock-based compensation expense	<u>\$ 1,250</u>	<u>\$ 708</u>

The fair values of employee stock options granted during the three months ended March 31, 2014 and 2013 were valued using the Black-Scholes option-pricing model with the following assumptions:

	Three months ended March 31,	
	2014	2013
Expected stock price volatility	71%	72%
Expected option term	6.0 Years	6.0 Years
Risk-free interest rate	2.2%	1.4%
Expected dividend yield	None	None

## (11) Income Taxes

Massachusetts, New Jersey and Connecticut are the three states in which the Company primarily operates or has operated and has income tax nexus. The Company is not currently under examination by any jurisdictions for any tax year.

The Company has evaluated the positive and negative evidence bearing upon the realizability of its net deferred tax assets, which are comprised principally of net operating loss carryforwards, capitalized R&D expenditures and R&D tax credit carryforwards. The Company has determined that it is more likely than not that it will not recognize the benefits of federal and state deferred tax assets and, as a result, a full valuation allowance was maintained at March 31, 2014 and December 31, 2013 against the Company's net deferred tax assets.

## [Table of Contents](#)

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

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:** This report on Form 10-Q contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements with respect to our

beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as “may,” “will,” “can,” “anticipate,” “assume,” “should,” “indicate,” “would,” “believe,” “contemplate,” “expect,” “seek,” “estimate,” “continue,” “plan,” “point to,” “project,” “predict,” “could,” “intend,” “target,” “potential” and other similar words and expressions of the future.

There are a number of important factors that could cause the actual results to differ materially from those expressed in any forward-looking statement made by us. These factors include, but are not limited to:

- our ability to successfully complete research and further development, including animal, preclinical and clinical studies, and, if we obtain regulatory approval, commercialization of rindopepimut (also referred to as CDX-110), glembatumumab vedotin (also referred to as CDX-011), and other drug candidates and the growth of the markets for those drug candidates;
- our ability to raise sufficient capital to fund our clinical studies and to meet our long-term liquidity needs, on terms acceptable to us, or at all. If we are unable to raise the funds necessary to meet our long-term liquidity needs, we may have to delay or discontinue the development of one or more programs, discontinue or delay on-going or anticipated clinical trials, license out programs earlier than expected, raise funds at significant discount or on other unfavorable terms, if at all, or sell all or part of our business;
- our ability to manage multiple clinical trials for a variety of drug candidates at different stages of development, including ACT IV and ReACT for rindopepimut and METRIC for glembatumumab vedotin;
- the cost, timing, scope and results of ongoing safety and efficacy trials of rindopepimut, glembatumumab vedotin, and other preclinical and clinical testing;
- our ability to fund and complete the development and, if we obtain regulatory approval, to commercialize rindopepimut in North America ourselves;
- our ability to negotiate strategic partnerships, where appropriate, for our programs, which may include rindopepimut outside of North America, glembatumumab vedotin and varlilumab (also referred to as CDX-1127);
- our ability to develop technological capabilities, including identification of novel and clinically important targets, exploiting our existing technology platforms to develop new product candidates and expand our focus to broader markets for our existing targeted immunotherapeutics;
- our ability to adapt our proprietary antibody-targeted technology, or APC Targeting Technology™, to develop new, safe and effective therapeutics for oncology and infectious disease indications;
- the availability, cost, delivery and quality of clinical and commercial grade materials produced by our own manufacturing facility or supplied by contract manufacturers, suppliers and partners, who may be the sole source of supply;
- the availability, cost, delivery and quality of clinical management services provided by our clinical research organization partners;
- the timing, cost and uncertainty of obtaining regulatory approvals for our drug candidates;
- our ability to develop and commercialize products before competitors that are superior to the alternatives developed by such competitors;

---

## [Table of Contents](#)

- our ability to protect our intellectual property rights and our ability to avoid intellectual property litigation, which can be costly and divert management time and attention; and
- the factors listed under the headings “Business,” “Risk Factors” and Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s annual report on Form 10-K for the year ended December 31, 2013 and other reports that we file with the Securities and Exchange Commission.

All forward-looking statements are expressly qualified in their entirety by this cautionary notice. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this report or the date of the document incorporated by reference into this report. We have no obligation, and expressly disclaim any obligation, to update, revise or correct any of the forward-looking statements, whether as a result of new information, future events or otherwise. We have expressed our expectations, beliefs and projections in good faith and we believe they have a reasonable basis. However, we cannot assure you that our expectations, beliefs or projections will result or be achieved or accomplished.

## OVERVIEW

We are a biopharmaceutical company focused on the development and commercialization of several immunotherapy technologies for the treatment of cancer and other difficult-to-treat diseases. Our drug candidates are derived from a broad set of complementary technologies which have the ability to utilize the human immune system and enable the creation of therapeutic agents. We are using these technologies to develop targeted immunotherapeutics comprised of antibodies, adjuvants and monotherapies and antibody-drug conjugates that prevent or treat cancer and other diseases that modify undesirable activity by the body’s own proteins or cells.

Our lead drug candidates include rindopepimut (also referred to as CDX-110) and glembatumumab vedotin (also referred to as CDX-011). Rindopepimut is a targeted immunotherapeutic in a pivotal Phase 3 study for the treatment of front-line glioblastoma and a Phase 2 study for the treatment of recurrent glioblastoma. Glembatumumab vedotin is a targeted antibody-drug conjugate in a randomized study for the treatment of triple negative breast cancer designed to obtain accelerated approval. We also have a number of earlier stage drug candidates in clinical development, including varlilumab (also



referred to as CDX-1127), a fully human therapeutic monoclonal antibody for cancer indications, CDX-301, an immune cell mobilizing agent and dendritic cell growth factor and CDX-1401, a targeted immunotherapeutic aimed at antigen presenting cells, or APC, for cancer indications. Our drug candidates address market opportunities for which we believe current therapies are inadequate or non-existent.

We are building a fully integrated, commercial-stage biopharmaceutical company that develops important therapies for patients with unmet medical needs. Our program assets provide us with the strategic options to either retain full economic rights to our innovative therapies or seek favorable economic terms through advantageous commercial partnerships. This approach allows us to maximize the overall value of our technology and product portfolio while best ensuring the expeditious development of each individual product.

The following table includes the programs that we currently believe are significant to our business:

Product (generic)	Indication/Field	Partner	Status
<b>CLINICAL</b>			
Rindopepimut	Front-line glioblastoma	—	Phase 3
Glembatumumab vedotin	Metastatic breast cancer and melanoma	—	Phase 2b
Rindopepimut	Recurrent glioblastoma	—	Phase 2
Varlilumab	Lymphoma/leukemia and solid tumors	—	Phase 1
CDX-1401	Multiple solid tumors	—	Phase 1
CDX-301	Cancer, autoimmune disease and transplant	—	Phase 1
<b>PRECLINICAL</b>			
CDX-014	Ovarian and renal cancer	—	Preclinical

The expenditures that will be necessary to execute our business plan are subject to numerous uncertainties. Completion of clinical trials may take several years or more, and the length of time generally varies substantially according to the type, complexity, novelty and intended use of a product candidate. It is not unusual for the clinical development of these types of product candidates to each take five years or more, and for total development costs to exceed \$100 million for each product candidate. We estimate that clinical trials of the type we generally conduct are typically completed over the following timelines:

[Table of Contents](#)

Clinical Phase	Estimated Completion Period
Phase 1	1 - 2 Years
Phase 2	1 - 5 Years
Phase 3	1 - 5 Years

The duration and the cost of clinical trials may vary significantly over the life of a project as a result of differences arising during the clinical trial protocol, including, among others, the following:

- the number of patients that ultimately participate in the trial;
- the duration of patient follow-up that seems appropriate in view of results;
- the number of clinical sites included in the trials;
- the length of time required to enroll suitable patient subjects; and
- the efficacy and safety profile of the product candidate.

We test potential product candidates in numerous preclinical studies for safety, toxicology and immunogenicity. We may then conduct multiple clinical trials for each product candidate. As we obtain results from trials, we may elect to discontinue or delay clinical trials for certain product candidates in order to focus our resources on more promising product candidates.

An element of our business strategy is to pursue the research and development of a broad portfolio of product candidates. This is intended to allow us to diversify the risks associated with our research and development expenditures. As a result, we believe our future capital requirements and our future financial success are not substantially dependent on any one product candidate. To the extent we are unable to maintain a broad range of product candidates, our dependence on the success of one or a few product candidates increases.

Regulatory approval is required before we can market our product candidates as therapeutic products. In order to proceed to subsequent clinical trial stages and to ultimately achieve regulatory approval, the regulatory agency must conclude that our clinical data is safe and effective. Historically, the results from preclinical testing and early clinical trials (through Phase 2) have often not been predictive of results obtained in later clinical trials. A number of new drugs and biologics have shown promising results in early clinical trials, but subsequently failed to establish sufficient safety and efficacy data to obtain necessary regulatory approvals.

Furthermore, our business strategy includes the option of entering into collaborative arrangements with third parties to complete the development and commercialization of our product candidates. In the event that third parties take over the clinical trial process for one of our product candidates, the estimated completion date would largely be under control of that third party rather than us. We cannot forecast with any degree of certainty which proprietary products, if any, will be subject to future collaborative arrangements, in whole or in part, and how such arrangements would affect our development plan or capital requirements. Our programs may also benefit from subsidies, grants, contracts or government or agency-sponsored studies that could reduce our development costs.

As a result of the uncertainties discussed above, among others, it is difficult to accurately estimate the duration and completion costs of our research and development projects or when, if ever, and to what extent we will receive cash inflows from the commercialization and sale of a product. Our inability to complete our research and development projects in a timely manner or our failure to enter into collaborative agreements, when appropriate, could

significantly increase our capital requirements and could adversely impact our liquidity. These uncertainties could force us to seek additional, external sources of financing from time to time in order to continue with our business strategy. Our inability to raise additional capital, or to do so on terms reasonably acceptable to us, would jeopardize the future success of our business.

During the past five years through December 31, 2013, we incurred an aggregate of \$201.1 million in research and development expenses. The following table indicates the amount incurred for each of our significant research programs and for other identified research and development activities during the three months ended March 31, 2014 and 2013. The amounts disclosed in the following table reflect direct research and development costs, license fees associated with the underlying technology and an allocation of indirect research and development costs to each program.

[Table of Contents](#)

	Three Months Ended March 31,	
	2014	2013
	(In thousands)	
Rindopepimut	\$ 14,884	\$ 8,911
Glembatumumab vedotin	7,824	1,109
Varlilumab	1,966	2,245
CDX-1401	541	224
CDX-301	316	149
CDX-014	650	316
Other Programs	889	1,136
Total R&D Expense	<u>\$ 27,070</u>	<u>\$ 14,090</u>

**Clinical Development Programs**

*Rindopepimut*

Rindopepimut is an immunotherapeutic that targets the tumor-specific molecule epidermal growth factor receptor variant III, or EGFRvIII. EGFRvIII is a mutated form of the epidermal growth factor receptor, or EGFR, that is only expressed in cancer cells and not in normal tissue and can directly contribute to cancer cell growth. EGFRvIII is expressed in approximately 30% of glioblastoma multiforme, or GBM, tumors, the most common and aggressive form of brain cancer. Rindopepimut is composed of the EGFRvIII peptide linked to a carrier protein called Keyhole Limpet Hemocyanin, or KLH, and administered together with the adjuvant GM-CSF. The Food and Drug Administration, or FDA, and the European Medicines Agency, or EMA, have both granted orphan drug designation for rindopepimut for the treatment of EGFRvIII expressing GBM. The FDA has also granted Fast Track designation.

The Phase 2a study of rindopepimut referred to as ACTIVATE was led by collaborating investigators at the Brain Center at Duke Comprehensive Cancer Center in Durham, North Carolina and at M.D. Anderson Cancer Center in Houston, Texas and enrolled 18 evaluable GBM patients. An extension of the Phase 2a study referred to as ACT II evaluated 22 additional GBM patients treated in combination with the current standard of care, maintenance temozolomide, or TMZ, at the same two institutions.

The Phase 2b study of rindopepimut referred to as ACT III combined rindopepimut with standard of care, TMZ, in patients with newly diagnosed GBM. The ACT III study provided for a multi-center, non-randomized dataset for rindopepimut in 65 patients at over 30 sites throughout the United States.

In November 2013, we announced the four- and five-year survival data from the 105 patients enrolled in the three Phase 2 rindopepimut clinical studies (ACTIVATE, ACT II and ACT III) in EGFRvIII-positive GBM. Across these three Phase 2 studies of rindopepimut, survival data remains consistent and suggests a continuing survival benefit in comparison to independent control datasets (see chart below) at the median and at all other time points evaluated.

**Phase 2 Frontline Long-term Overall Survival Assessments**

	Median, Years (95% CI)	2-year rate	3-year rate	4-year rate	5-year rate
Phase 2 rindopepimut studies (n=105)	2.1 (1.8, 2.4)	51%	30%	18%	14%
Matched historical control (n=17)(1)	1.3 (0.9, 1.7)	6%	6%	0%	0%

(1) Patients treated at M.D. Anderson contemporaneously to ACTIVATE, matched for major eligibility requirements, including EGFRvIII-positive GBM, gross total resection and no disease progression through chemoradiation treatment.

The pooled overall long-term survival results continue to be consistent with the ACT III Phase 2 study (18% for 4-years and 14% for 5-years).

In December 2011, we initiated ACT IV, a pivotal, randomized, double-blind, controlled Phase 3 study of rindopepimut in patients with surgically resected, EGFRvIII-positive GBM. Patients are randomized after the completion of surgery and standard chemoradiation treatment. The treatment regimen includes a rindopepimut priming phase post-radiation followed by an adjuvant TMZ phase and a rindopepimut maintenance therapy phase. Patients are treated until disease progression or intolerance to therapy. The primary objective of the study is to determine whether rindopepimut plus adjuvant GM-CSF improves the overall survival of patients with newly diagnosed EGFRvIII-positive GBM after Gross Total Resection, or GTR, when compared to treatment with TMZ and a control injection of KLH. KLH is a component of rindopepimut and was selected due to its ability to generate a similar injection site reaction to that observed with rindopepimut. ACT IV is enrolling patients at over 200 centers worldwide to recruit approximately 374

[Table of Contents](#)

patients with GTR to be included in the primary analysis. Based on current projections, we anticipate completion of enrollment in mid-2014.

In December 2011, we also initiated ReACT, a Phase 2 study of rindopepimut in combination with Avastin® in patients with recurrent EGFRvIII-positive GBM. ReACT was initially planned to enroll approximately 95 patients in a first or second relapse of GBM following receipt of standard therapy at approximately 25 sites across the United States. In August 2013, we announced the addition of an expansion cohort of approximately 75 patients (Group 2C) to better characterize the potential activity of rindopepimut in this refractory patient population. This decision was based on early evidence of anti-tumor activity, including stable disease, tumor shrinkage and investigator-reported response. As amended, the ReACT study will now enroll approximately 170 patients across three groups. Approximately 70 patients (Group 1) who have yet to receive Avastin will be randomized to receive either rindopepimut and Avastin or a control injection of KLH and Avastin in a blinded fashion. Another 100 patients, including the expansion cohort of 75 patients, who are refractory to Avastin having received Avastin in either the frontline or recurrent setting with subsequent progression will receive rindopepimut plus Avastin in a single treatment arm. Study endpoints include 6 month progression free survival rate, objective response rate, or ORR, overall survival and safety and tolerability.

In November 2013, we reported interim data from our ongoing Phase 2 ReACT study. Rindopepimut plus Avastin was very well tolerated (dosing up to 13+ months) and the results demonstrated promising signs of clinical activity in advanced patient populations, including evidence of anti-tumor activity (tumor shrinkage, objective response and stable disease). Strong immune response correlated with improved outcome. In Avastin-naïve patients treated with both rindopepimut and Avastin, a strong survival trend has also been seen to date versus the control group (see chart below).

#### Interim ReACT Overall Survival and Progression-free Survival in Avastin-Naïve Recurrent GBM

	Rindopepimut & Avastin (n=20)	Control & Avastin (n=20)	Hazard Ratio
Overall survival	12.0 months	7.9 months	0.43 (0.13, 1.44)
	p=0.16		
Progression-free survival	3.7 months	2.0 months	0.74 (0.34, 1.61)
	P=0.47		

In Avastin-refractory patients treated with both rindopepimut and Avastin, a median progression-free survival, or PFS, of 1.9 months and an overall survival, or OS, of 5.6 months was observed. The median overall survival of 5.6 months is noteworthy in these heavily pre-treated, refractory EGFRvIII-positive patients. A review of the literature assessing survival in recurrent patients who are Avastin-experienced across eight independent studies suggests a weighted-average survival of 3.6 months (range of 2.6 to 5.8 months) in all-comers. It is important to note that these eight studies do not necessarily meet the strict definition of refractory applied in the ReACT study and that these studies included EGFRvIII-negative patients who tend to perform better. Progression-free survival results in this refractory population may be more consistent with the profile of an immunotherapy candidate where progression-free survival does not always correlate directly with an overall survival benefit.

Enrollment to Group 1 (Avastin-naïve patients) and enrollment of at least the first 23 patients in Group 2C (Avastin-refractory patients) is expected to be completed by year-end 2014. Group 2C is designed as a two-stage cohort; evidence of anti-tumor activity in the first 23 patients will trigger full completion of enrollment to this arm of the study. Updated data from the study will be presented by year-end 2014.

#### Glebatumumab Vedotin

Glebatumumab vedotin is an antibody-drug conjugate, or ADC, that consists of a fully-human monoclonal antibody, CR011, linked to a potent cell-killing drug, monomethyl-auristatin E, or MMAE. The CR011 antibody specifically targets glycoprotein NMB, referred to as gpNMB, that is over-expressed in a variety of cancers including breast cancer and melanoma. The ADC technology, comprised of MMAE and a stable linker system for attaching it to CR011, was licensed from Seattle Genetics, Inc. and is the same as that used in the marketed product Adcetris®. The ADC is designed to be stable in the bloodstream. Following intravenous administration, glebatumumab vedotin targets and binds to gpNMB and upon internalization into the targeted cell, glebatumumab vedotin is designed to release MMAE from CR011 to produce a cell-killing effect. The FDA has granted Fast Track designation to glebatumumab vedotin for the treatment of advanced, refractory/resistant gpNMB-expressing breast cancer.

#### [Table of Contents](#)

**Treatment of Breast Cancer:** The Phase 1/2 study of glebatumumab vedotin administered intravenously once every three weeks evaluated patients with locally advanced or metastatic breast cancer who had received prior therapy (median of seven prior regimens). The study began with a bridging phase to confirm the maximum tolerated dose, or MTD, and then expanded into a Phase 2 open-label, multi-center study. The study confirmed the safety of glebatumumab vedotin at the pre-defined maximum dose level (1.88 mg/kg) in 6 patients. An additional 28 patients were enrolled in an expanded Phase 2 cohort (for a total of 34 treated patients at 1.88 mg/kg, the Phase 2 dose) to evaluate the PFS rate at 12 weeks. The 1.88 mg/kg dose was well tolerated in this patient population with the most common adverse events of rash, alopecia, and fatigue. The primary activity endpoint, which called for at least 5 of 25 (20%) patients in the Phase 2 study portion to be progression-free at 12 weeks, was met as 9 of 26 (35%) evaluable patients were progression-free at 12 weeks.

For all patients treated at the maximum dose level, tumor shrinkage was seen in 62% (16/26) and median PFS was 9.1 weeks. A subset of 10 patients had “triple negative disease,” a more aggressive breast cancer subtype that carries a high risk of relapse and reduced survival as well as limited therapeutic options due to lack of over-expression of HER2/neu, estrogen and progesterone receptors. In these patients, 78% (7/9) had some tumor shrinkage, 12-week PFS rate was 70% (7/10), and median PFS was 17.9 weeks. Tumor samples from a subset of patients across all dose groups were analyzed for gpNMB expression. The tumor samples from most patients showed evidence of stromal and/or tumor cell expression of gpNMB.

In December 2012, we announced final results from the EMERGE study, a randomized, multi-center Phase 2b study of glebatumumab vedotin in 122 patients with heavily pre-treated, advanced, gpNMB positive breast cancer. Patients were randomized (2:1) to receive either glebatumumab vedotin or single-agent Investigator’s Choice, or IC, chemotherapy. Patients randomized to receive IC were allowed to cross over to receive glebatumumab vedotin following disease progression. Activity endpoints included response rate, PFS and OS. The final results, as shown below, suggested that glebatumumab vedotin induces significant response rates compared to currently available therapies in patient subsets with advanced, refractory breast cancers with gpNMB over-expression (expression in greater than 25% of tumor cells) and in patients with triple negative breast cancer. The OS and PFS of patients treated with

glebatumumab vedotin was also observed to be greatest in patients with triple negative breast cancer who also over-express gpNMB and all patients with gpNMB over-expression.

### EMERGE: Overall Response Rate and Disease Control Data

	gpNMB Over-Expression		Triple Negative and gpNMB Over-Expression	
	glebatumumab vedotin (n=25)	Investigator Choice (n=8)	glebatumumab vedotin (n=12)	Investigator Choice (n=4)
Response	32%	13%	33%	0%
Disease Control Rate	64%	38%	75%	25%

Responses per RECIST 1.1; IC = Investigator's Choice; glebatumumab vedotin arm includes 15 patients who crossed over to receive glebatumumab vedotin treatment after progression on IC. Analysis of best response excludes patients who discontinued from study without evaluable post-baseline radiographic imaging (n=15 for glebatumumab vedotin arm; n=5 for IC arm).

### EMERGE: Progression Free Survival (PFS) and Overall Survival (OS) Data

	gpNMB Over-Expression		Triple Negative and gpNMB Over-Expression	
	glebatumumab vedotin	Investigator Choice	glebatumumab vedotin	Investigator Choice
Median PFS (months)	2.7	1.5	3.0	1.5
	p=0.14		p=0.008	
Median OS (months)	10.0	5.7	10.0	5.5
	p=0.18		p=0.003	

When cross over patients are removed, median OS in patients with gpNMB over-expression is 10.0 months for glebatumumab vedotin vs 5.2 months for IC (p=0.05) and median OS in triple negative patients with gpNMB over-expression is 10.0 months for glebatumumab vedotin vs 5.2 months for IC (p=0.009).

#### [Table of Contents](#)

In December 2013, we initiated METRIC, a randomized, controlled study of glebatumumab vedotin in patients with triple negative breast cancer that over-express gpNMB designed to obtain accelerated approval. METRIC will be conducted in approximately 100 sites, primarily across the United States with additional sites in Canada and Australia and will enroll approximately 300 patients.

**Treatment of Metastatic Melanoma:** The Phase 1/2 open-label, multi-center, dose escalation study evaluated the safety, tolerability and pharmacokinetics of glebatumumab vedotin in 117 patients with un-resectable Stage III or Stage IV melanoma who had failed no more than one prior line of cytotoxic therapy. The MTD was determined to be 1.88 mg/kg administered intravenously once every three weeks. The study achieved its primary activity objective with an ORR in the Phase 2 cohort of 15% (5/34). Median PFS was 3.9 months. Glebatumumab vedotin was generally well tolerated, with the most frequent treatment-related adverse events being rash, fatigue, hair loss, pruritus, diarrhea and neuropathy. In the subset of patients with tumor biopsies, high levels of tumor expression of gpNMB appeared to correlate with favorable outcome. In the seven patients whose tumors were found to express high amounts of gpNMB, and who were treated at the maximum tolerated doses across all dosing schedules, median PFS was 4.9 months. The development of rash, which may be associated with the presence of gpNMB in the skin also seemed to correlate with greater PFS.

The Company is currently exploring conducting additional clinical studies in indications known to express gpNMB. Phase 2 studies in melanoma and squamous cell lung cancer are expected to initiate in the second half of 2014.

#### Varlilumab

Varlilumab is a human monoclonal antibody that targets CD27, a potentially important target for immunotherapy of various cancers. We have entered into license agreements with the University of Southampton, UK for intellectual property related to uses of anti-CD27 antibodies and with Medarex (now a subsidiary of the Bristol-Myers Squibb Company) for access to the UltiMab technology to develop and commercialize human antibodies to CD27. In July 2013, the United States Patent and Trademark Office issued a patent to the University of Southampton, that we have exclusive license to under our license agreement, which broadly supports varlilumab. The patent includes 18 claims covering various methods of treating cancer using agonistic anti-human CD27 antibodies and relates, among other things, directly to our CD27 antibody program and therapeutic uses of varlilumab.

CD27 acts downstream from CD40 and may provide a novel way to regulate the immune responses. CD27 is a co-stimulatory molecule on T cells and is over-expressed in certain lymphomas and leukemias. Varlilumab is an agonist antibody designed to have two potential therapeutic mechanisms. Varlilumab has been shown to activate immune cells that can target and eliminate cancerous cells in tumor-bearing mice and to directly kill or inhibit the growth of CD27 expressing lymphomas and leukemias *in vitro* and *in vivo*. Both mechanisms have been seen even at low doses in appropriate preclinical models.

In November 2013, we announced data from our ongoing open label, dose-escalating Phase 1 study of varlilumab in patients with selected malignant solid tumors or hematologic cancers at multiple clinical sites in the United States. The Phase 1 study is designed to test five escalating doses of varlilumab to determine a Phase 2 dose for further development based on safety, tolerability, potential activity and immunogenicity. The results suggest a favorable safety profile with no evidence of immune related toxicities. Clear biologic activity and promising signs of clinical activity were demonstrated in an advanced, refractory patient population including a complete response in Hodgkin disease, two additional patients with significant tumor shrinkage and eight patients with stable disease or better (PFS range of 3.0 to 14+ months). No maximum tolerated dose was reached to date and immune monitoring data in patients

confirmed varlilumab's mechanism of action. Expansion cohorts have been enrolling in metastatic melanoma and renal cell carcinoma and are planned in hematologic indications with initial data anticipated in mid-2014. We intend to initiate new studies of varlilumab in combination with various agents in the second half of 2014.

### *CDX-1401*

CDX-1401, developed from our APC Targeting Technology, is a fusion protein consisting of a fully human monoclonal antibody with specificity for the dendritic cell receptor, DEC-205, linked to the NY-ESO-1 tumor antigen. In humans, NY-ESO-1 has been detected in 20 - 30% of all melanoma, lung, esophageal, liver, gastric, prostate, ovarian and bladder cancers, thus representing a broad opportunity. This product is intended to selectively deliver the NY-ESO-1 antigen to dendritic cells for generating robust immune responses against cancer cells expressing NY-ESO-1. We are developing CDX-1401 for the treatment of malignant melanoma and a variety of solid tumors which express the proprietary cancer antigen NY-ESO-1, which we licensed from the Ludwig Institute for Cancer Research in 2006. Preclinical studies have shown that CDX-1401 is effective for activation of human T cell responses against NY-ESO-1.

The Phase 1 study assessed the safety, immunogenicity and clinical activity of escalating doses of CDX-1401 with TLR agonists (resiquimod and/or Poly ICLC in 45 patients with advanced malignancies refractory to all available therapies. 60% of patients had confirmed NY-ESO expression in archived tumor sample. Thirteen patients maintained stable disease for up to 13.4 months with a

17

---

### [Table of Contents](#)

median of 6.7 months. Treatment was well-tolerated and there were no dose limiting toxicities. Humoral responses were elicited in both NY-ESO-1 positive and negative patients. NY-ESO-1-specific T cell responses were absent or low at baseline, but increased post-vaccination in 53% of evaluable patients, including both CD4 and/or CD8 T cell responses. Robust immune responses were observed with CDX-1401 with resiquimod and Poly ICLC alone and in combination. Long-term patient follow up suggested that treatment with CDX-1401 may predispose patients to better outcomes on subsequent therapy with checkpoint inhibitors. Of the 45 patients in the Phase 1 study, eight went on to receive subsequent therapy of either ipilimumab or an investigational checkpoint inhibitor and six of these patients had objective tumor regression. Six patients with melanoma received ipilimumab within three months of treatment with CDX-1401 and four (67%) had objective tumor responses, including one complete response, which compares favorably to the overall response rate of 11% previously reported in metastatic melanoma patients treated with single-agent ipilimumab. In addition, two patients with non-small cell lung cancer received an investigational checkpoint blockade within two months of completing treatment with CDX-1401 and both achieved partial responses.

The Phase 1 study has identified a well-tolerated and immunogenic regimen to take forward into the future studies. We are planning to initiate a Phase 1/2 study of varlilumab and ipilimumab (and potentially other checkpoint inhibitors) plus CDX-1401 in NY-ESO+ patients with metastatic melanoma in the second half of 2014. In addition, Celldex will provide support for a collaborative Phase 2 study of CDX-1401 in combination with CDX-301 in metastatic melanoma. This study will be conducted by the Cancer Immunotherapy Trials Network under a cooperative research and development agreement, or CRADA, with the Cancer Therapy Evaluation Program of the National Cancer Institute.

### *CDX-301*

CDX-301 is a FMS-like tyrosine kinase 3 ligand, or Flt3L, stem cell mobilizer and dendritic cell growth factor. We licensed CDX-301 from Amgen Inc. in March 2009. CDX-301 is a potent hematopoietic cytokine that stimulates the expansion and differentiation of hematopoietic progenitor and stem cells. CDX-301 has demonstrated a unique capacity to increase the number of circulating dendritic cells in both laboratory and clinical studies. In addition, CDX-301 has shown impressive results in models of cancer, infectious diseases and inflammatory/autoimmune diseases. We believe CDX-301 may hold significant opportunity for synergistic development in combination with other proprietary molecules in our portfolio.

In February 2013, we announced final results from our dose-escalating Phase 1 study of CDX-301 in 30 healthy subjects in collaboration with Rockefeller University. The Phase 1 study evaluated seven different dosing regimens of CDX-301 to determine the appropriate dose for further development based on safety, tolerability, and biological activity. The data from the study were consistent with previous clinical experience and demonstrated that CDX-301 was well-tolerated and can effectively mobilize hematopoietic stem cell populations in healthy volunteers. In December 2013, we announced data from a preclinical combination study of CDX-301 and Mozobil® (Plerixafor injection, formerly AMD3100) demonstrating that the combination of these agents significantly increases hematopoietic stem cell mobilization in mice. The data demonstrate a novel potent cell mobilization regimen combining CDX-301 and Mozobil®, which may have significant potential for use in autologous and allogeneic hematopoietic stem cell transplantation. Based on the safety profile and the clinical and preclinical data to date, we plan to initiate a pilot clinical study of CDX-301 as a single-agent and in combination with Mozobil in the transplant setting in the third quarter of 2014.

### **Preclinical Programs**

#### *CDX-014*

CDX-014 is a fully-human monoclonal ADC that targets TIM-1, a molecule that is upregulated in several cancers, including renal cell and ovarian carcinomas. It is associated with kidney injury and the shedding of its ectodomain is a predictive biomarker for tumor progression. TIM-1 has very restricted expression in healthy tissues, making it a promising target for antibody mediated therapy. The antibody is linked to MMAE using Seattle Genetics' proprietary technology. The ADC is designed to be stable in the bloodstream, but to release MMAE upon internalization into TIM-1-expressing tumor cells, resulting in a targeted cell-killing effect. CDX-014 has shown potent activity in preclinical models of ovarian and renal cancer. We have established preclinical proof-of-concept and are completing manufacturing and IND-enabling studies to support the initiation of Phase 1 clinical studies in renal cell carcinoma and potentially other TIM-1 expressing tumors in 2015.

### **CRITICAL ACCOUNTING POLICIES**

Our critical accounting policies are more fully described in Note 2 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013 and there have been no material changes to such critical accounting policies. We believe our most critical accounting policies include accounting for business combinations, revenue recognition, impairment of long-lived assets, research and development expenses and stock-based compensation expense.

**RESULTS OF OPERATIONS***Three Months Ended March 31, 2014 compared with Three Months Ended March 31, 2013*

	Three Months Ended March 31,		Increase/ (Decrease) \$	Increase/ (Decrease) %
	2014	2013		
(In thousands)				
<b>Revenue:</b>				
Product Development and Licensing Agreements	\$ 35	\$ 30	\$ 5	17%
Contracts and Grants	381	50	331	662%
Product Royalties	—	2,334	(2,334)	(100)%
<b>Total Revenue</b>	<b>\$ 416</b>	<b>\$ 2,414</b>	<b>\$ (1,998)</b>	<b>(83)%</b>
<b>Operating Expense:</b>				
Research and Development	27,070	14,090	12,980	92%
Royalty	—	2,334	(2,334)	(100)%
General and Administrative	4,582	3,138	1,444	46%
Amortization of Acquired Intangible Assets	253	253	—	—
<b>Total Operating Expense</b>	<b>31,905</b>	<b>19,815</b>	<b>12,090</b>	<b>61%</b>
Operating Loss	(31,489)	(17,401)	14,088	81%
Investment and Other Income, Net	1,586	379	1,207	318%
Interest Expense	—	(310)	(310)	(100)%
<b>Net Loss</b>	<b>\$ (29,903)</b>	<b>\$ (17,332)</b>	<b>\$ 12,571</b>	<b>73%</b>

*Net Loss*

The \$12.6 million increase in net loss for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily the result of an increase in research and development expenses.

*Revenue*

The \$0.3 million increase in contracts and grants revenue for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily related to our Rockefeller University agreement pursuant to which we perform research and development services for Rockefeller. The agreement includes an approved project plan for the development services of \$4.8 million and a term of three years. The \$2.3 million decrease in product royalty revenue for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was due to the termination of our agreement with GlaxoSmithKline plc upon the expiration of the last relevant patent right covered by the agreement. The terminated retained interests in Rotarix<sup>®</sup> net royalties which were not sold to Paul Royalty Fund II, L.P. had been equal to the amount payable to Cincinnati Children's Hospital Medical Center and recognized as royalty expense by us.

*Research and Development Expense*

Research and development expenses consist primarily of (i) personnel expenses, (ii) laboratory supply expenses relating to the development of our technology, (iii) facility expenses, (iv) license fees and (v) product development expenses associated with our product candidates as follows:

	Three Months Ended March 31,		Increase/ (Decrease) \$	Increase/ (Decrease) %
	2014	2013		
(In thousands)				
Personnel	\$ 4,460	\$ 3,783	\$ 677	18%
Laboratory Supplies	824	711	113	16%
Facility	1,200	1,118	82	7%
License Fees	2,610	69	2,541	3,683%
Product Development	17,153	7,815	9,338	1,195%

Personnel expenses primarily include salary, benefits, stock-based compensation, payroll taxes and recruiting costs. The \$0.7 million increase in personnel expenses for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily due to higher stock-based compensation of \$0.2 million and increased headcount. We expect personnel expenses to increase over the next twelve months as we plan to continue to increase our headcount, primarily to support our rindopepimut and glebatumumab vedotin programs.

Laboratory supply expenses include laboratory materials and supplies, services, and other related expenses incurred in the development of our technology. The \$0.1 million increase in laboratory supply expense for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily due to higher manufacturing supply purchases. We expect supply expenses to remain relatively consistent over the next twelve months, although there may be fluctuations on a quarterly basis.

Facility expenses include depreciation, amortization, utilities, rent, maintenance, and other related expenses incurred at our facilities. The \$0.1 million increase in facility expenses for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily due to an increase in amortization expense related to the leasehold improvements made at our headquarters facility in Hampton, New Jersey. We expect facility expenses to remain relatively consistent over the next twelve months, although there may be fluctuations on a quarterly basis.

License fee expenses include annual license maintenance fees and milestone payments due upon the achievement of certain development, regulatory and/or commercial milestones. The \$2.5 million increase in license fee expenses for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was due to the one-time \$2.5 million milestone incurred and paid to Seattle Genetics as a result of the METRIC initiation.

Product development expenses include clinical investigator site fees, external trial monitoring costs, data accumulation costs, contracted research and outside clinical drug product manufacturing. The \$9.3 million increase in product development expenses for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily the result of an increase in clinical trial costs and contract manufacturing of \$6.3 million and \$2.9 million, respectively, primarily related to our rindopepimut and glembatumumab vedotin programs. We expect product development expenses to increase over the next twelve months primarily due to the increase in clinical trial and contract manufacturing expenses related to our rindopepimut and glembatumumab vedotin programs, although there may be fluctuations on a quarterly basis.

#### *Royalty Expense*

The \$2.3 million decrease in royalty expense for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was due to the termination of our agreement with GlaxoSmithKline plc upon the expiration of the last relevant patent right covered by the agreement.

#### *General and Administrative Expense*

The \$1.4 million increase in general and administrative expenses for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily due to higher stock-based compensation of \$0.4 million, increased headcount and rindopepimut and glembatumumab vedotin commercial planning costs. We expect general and administrative expense to increase over the next twelve months primarily due to increased commercial planning efforts for rindopepimut and glembatumumab vedotin, although there may be fluctuations on a quarterly basis.

#### *Amortization Expense*

Amortization expenses for the three months ended March 31, 2014 were relatively consistent compared to the three months ended March 31, 2013. We expect amortization expense of acquired intangible assets to remain relatively consistent over the next twelve months.

#### *Investment and Other Income, Net*

The \$1.2 million increase in investment and other income, net for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily due to \$1.0 million received in February 2014 in connection with our TopoTarget agreement and us recognizing \$0.4 million and \$0.2 million in other income related to the sale of New Jersey tax benefits during the three months ended March 31, 2014 and 2013, respectively. Under our agreement with TopoTarget, we could receive commercial milestone payments related to future net sales of Belinostat or 10% of any sublicense income received by TopoTarget. We have no financial and operational responsibility for the clinical development of Belinostat under our agreement with TopoTarget. There are \$2.0 million in potential payments remaining that we could receive under our agreement with TopoTarget. We anticipate investment

#### [Table of Contents](#)

income to increase over the next twelve months due to higher cash and investment balances resulting from our underwritten public offering in December 2013.

#### *Interest Expense*

The \$0.3 million decrease in interest expense for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 was primarily due to our election in May 2013 to prepay our term loan in full, pursuant to the terms of our loan agreement.

### **LIQUIDITY AND CAPITAL RESOURCES**

Our cash equivalents are highly liquid investments with a maturity of three months or less at the date of purchase and consist primarily of investments in money market mutual funds with commercial banks and financial institutions. We maintain cash balances with financial institutions in excess of insured limits. We do not anticipate any losses with respect to such cash balances. We invest our excess cash balances in marketable securities including municipal bond securities, U.S. government agency securities, and high-grade corporate bonds that meet high credit quality standards, as specified in our investment policy. Our investment policy seeks to manage these assets to achieve our goals of preserving principal and maintaining adequate liquidity.

The use of our cash flows for operations has primarily consisted of salaries and wages for our employees; facility and facility-related costs for our offices, laboratories and manufacturing facility; fees paid in connection with preclinical studies, clinical studies, contract manufacturing, laboratory supplies and services; and consulting, legal and other professional fees. To date, the primary sources of cash flows from operations have been payments received from our collaborative partners and from government entities. The timing of any new collaboration agreements, government contracts or grants and any payments under these agreements, contracts or grants cannot be easily predicted and may vary significantly from quarter to quarter.

At March 31, 2014, our principal sources of liquidity consisted of cash, cash equivalents and marketable securities of \$274.2 million. We incurred a loss of \$29.9 million for the three months ended March 31, 2014. Net cash used in operations for the three months ended March 31, 2014 was \$31.9 million. We believe that the cash, cash equivalents and marketable securities at March 31, 2014 are sufficient to meet estimated working capital requirements and fund planned operations for more than the next two years.

During the next twelve months, we may take further steps to raise additional capital to meet our long-term liquidity needs. Our capital raising activities may include, but may not be limited to, one or more of the following: the licensing of technology programs with existing or new collaborative partners, possible business combinations, issuance of debt, or the issuance of common stock or other securities via private placements or public offerings. While we continue to seek capital through a number of means, there can be no assurance that additional financing will be available on acceptable terms, if at all, and our negotiating position in capital-raising efforts may worsen as existing resources are used. There is also no assurance that we will be able to enter into further collaborative relationships. Additional equity financing may be dilutive to our stockholders; debt financing, if available, may involve significant

cash payment obligations and covenants that restrict our ability to operate as a business; and licensing or strategic collaborations may result in royalties or other terms which reduce our economic potential from products under development.

### *Operating Activities*

Net cash used in operating activities was \$31.9 million for the three months ended March 31, 2014 compared to \$17.2 million for the three months ended March 31, 2013. The increase in net cash used in operating activities was primarily due to an increase in net loss of \$12.6 million. We expect that cash used in operating activities will increase over the next twelve months primarily related to costs incurred on our rindopepimut and glembatumumab vedotin programs.

We have incurred and will continue to incur significant costs in the area of research and development, including preclinical studies and clinical trials, as our drug candidates are developed. We plan to spend significant amounts to progress our current drug candidates through the clinical trial and commercialization process as well as to develop additional drug candidates. As our drug candidates progress through the clinical trial process, we may be obligated to make significant milestone payments.

### *Investing Activities*

Net cash used in investing activities was \$81.3 million for the three months ended March 31, 2014 compared to \$46.6 million for the three months ended March 31, 2013. The increase in net cash used in investing activities was primarily due to \$81.1 million of net purchases of marketable securities for the three months ended March 31, 2014 compared to \$46.4 million for the three months ended March 31, 2013.

---

## [Table of Contents](#)

### *Financing Activities*

Net cash provided by financing activities was \$0.7 million for the three months ended March 31, 2014 compared to \$114.5 million for the three months ended March 31, 2013. Net proceeds from stock issuances, including stock issued pursuant to employee benefit plans, were \$0.7 million during the three months ended March 31, 2014 compared to \$115.8 million for the three months ended March 31, 2013. We paid \$1.3 million in principal payments on our term loan during the three months ended March 31, 2013. In May 2013, we elected to prepay our term loan in full, pursuant to the terms of our loan agreement.

### *Equity Offerings*

During the three months ended March 31, 2013, we issued 2,433,608 shares of our common stock under our controlled equity offering sales agreement with Cantor Fitzgerald & Co., as amended, resulting in net proceeds to us of \$17.1 million, after deducting commission and offering expenses.

During the three months ended March 31, 2013, we issued 13,800,000 shares of our common stock in an underwritten public offering resulting in net proceeds to us of \$97.0 million, after deducting underwriting fees and offering expenses.

## **AGGREGATE CONTRACTUAL OBLIGATIONS**

The disclosures relating to our contractual obligations reported in our Annual Report on Form 10-K for the year ended December 31, 2013 which was filed with the SEC on March 3, 2014 have not materially changed since we filed that report.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

Refer to Note 2, "Significant Accounting Policies," in the accompanying notes to the condensed consolidated financial statements for a discussion of recent accounting pronouncements.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

We own financial instruments that are sensitive to market risk as part of our investment portfolio. Our investment portfolio is used to preserve our capital until it is used to fund operations, including our research and development activities. None of these market-risk sensitive instruments are held for trading purposes. We invest our cash primarily in money market mutual funds. These investments are evaluated quarterly to determine the fair value of the portfolio. From time to time, we invest our excess cash balances in marketable securities including municipal bond securities, U.S. government agency securities, and high-grade corporate bonds that meet high credit quality standards, as specified in our investment policy. Our investment policy seeks to manage these assets to achieve our goals of preserving principal and maintaining adequate liquidity. Because of the short-term nature of these investments, we do not believe we have material exposure due to market risk. The impact to our financial position and results of operations from likely changes in interest rates is not material.

We do not utilize derivative financial instruments. The carrying amounts reflected in the consolidated balance sheet of cash and cash equivalents, accounts receivables and accounts payable approximates fair value at March 31, 2014 due to the short-term maturities of these instruments.

---

## [Table of Contents](#)

### **Item 4. Controls and Procedures**

*Evaluation of Disclosure Controls and Procedures.*



As of March 31, 2014, we evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2014. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within time periods specified by the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### *Changes in Internal Control Over Financial Reporting.*

There were no changes in our internal control over financial reporting during the three months ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II — OTHER INFORMATION**

### **Item 1A. Risk Factors**

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2013, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K may not be the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company’s business, financial condition and/or operating results.

There were no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 3, 2014.

#### [Table of Contents](#)

### **Item 6. Exhibits**

- |        |   |
|--------|---|
| 3.1    | Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company’s Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.   |
| 3.2    | Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company’s Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.   |
| 3.3    | Second Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.2 of the Company’s Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.  |
| 3.4    | Third Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company’s Quarterly Report on Form 10-Q, filed May 10, 2002 with the Securities and Exchange Commission.  |
| 3.5    | Fourth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company’s Current Report on Form 8-K, filed on March 11, 2008 with the Securities and Exchange Commission.   |
| 3.6    | Fifth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.2 of the Company’s Current Report on Form 8-K, filed on March 11, 2008 with the Securities and Exchange Commission.  |
| 3.7    | Sixth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.7 of the Company’s Quarterly Report on Form 10-Q, filed November 10, 2008 with the Securities and Exchange Commission.   |
| 4.3    | Amendment No. 2 to Shareholder Rights Agreement dated November 5, 2004, between the Company and Computershare Trust Company, N.A. (formerly EquiServe Trust Company, N.A.), as Rights Agent, incorporated by reference to Exhibit 10.1 of the Company’s Registration Statement on Form 8-A1G/A, filed on March 7, 2008 with the Securities and Exchange Commission. |
| *31.1  | Certification of President and Chief Executive Officer  |
| *31.2  | Certification of Senior Vice President and Chief Financial Officer  |
| **32.1 | Section 1350 Certifications   |
| 101.1+ | XBRL Instance Document.   |
| 101.2+ | XBRL Taxonomy Extension Schema Document.  |
| 101.3+ | XBRL Taxonomy Extension Calculation Linkbase Document.  |
| 101.4+ | XBRL Taxonomy Extension Definition Linkbase Document.   |
| 101.5+ | XBRL Taxonomy Extension Label Linkbase Document.  |
| 101.6+ | XBRL Taxonomy Extension Presentation Linkbase Document.   |

\* Filed herewith.

\*\* Furnished herewith.

+ The XBRL information is being furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any registration statement under the Securities Act of 1933, as amended.

#### [Table of Contents](#)

## **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 thereunto duly authorized.

BY:

/s/ ANTHONY S. MARUCCI

---

 Anthony S. Marucci  
 President and Chief Executive Officer  
 (Principal Executive Officer)

Dated: May 1, 2014

/s/ AVERY W. CATLIN

---

 Avery W. Catlin  
 Senior Vice President, Treasurer and Chief Financial  
 Officer  
 (Principal Financial and Accounting Officer)

Dated: May 1, 2014

25

[Table of Contents](#)

## EXHIBIT INDEX

Exhibit No.	Description
3.1	Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company's Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.
3.2	Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company's Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.
3.3	Second Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.2 of the Company's Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.
3.4	Third Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q, filed May 10, 2002 with the Securities and Exchange Commission.
3.5	Fourth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed on March 11, 2008 with the Securities and Exchange Commission.
3.6	Fifth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K, filed on March 11, 2008 with the Securities and Exchange Commission.
3.7	Sixth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.7 of the Company's Quarterly Report on Form 10-Q, filed November 10, 2008 with the Securities and Exchange Commission.
4.3	Amendment No. 2 to Shareholder Rights Agreement dated November 5, 2004, between the Company and Computershare Trust Company, N.A. (formerly EquiServe Trust Company, N.A.) as Rights Agent, incorporated by reference to Exhibit 10.1 of the Company's Registration Statement on Form 8-A1G/A, filed on March 7, 2008 with the Securities and Exchange Commission.
*31.1	Certification of President and Chief Executive Officer
*31.2	Certification of Senior Vice President and Chief Financial Officer
**32.1	Section 1350 Certifications
101.1+	XBRL Instance Document.
101.2+	XBRL Taxonomy Extension Schema Document.
101.3+	XBRL Taxonomy Extension Calculation Linkbase Document.
101.4+	XBRL Taxonomy Extension Definition Linkbase Document.
101.5+	XBRL Taxonomy Extension Label Linkbase Document.
101.6+	XBRL Taxonomy Extension Presentation Linkbase Document.

---

 \* Filed herewith.

\*\* Furnished herewith.

+ The XBRL information is being furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any registration statement under the Securities Act of 1933, as amended.

26

CERTIFICATION

I, Anthony S. Marucci, certify that:

1. I have reviewed this report on Form 10-Q of Celldex Therapeutics, 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, including its consolidated subsidiaries, 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 fiscal 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; and
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 the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and 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 1, 2014

By           /s/ ANTHONY S. MARUCCI            
Name: Anthony S. Marucci  
Title: President and Chief Executive Officer

---

CERTIFICATION

I, Avery W. Catlin, certify that:

1. I have reviewed this report on Form 10-Q of Celldex Therapeutics, 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, including its consolidated subsidiaries, 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 fiscal 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; and
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 the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and 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 1, 2014

By: /s/ AVERY W. CATLIN  
Name: Avery W. Catlin  
Title: Senior Vice President and  
Chief Financial Officer

---

SECTION 1350 CERTIFICATIONS

Pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Celldex Therapeutics, Inc. (the "Company") hereby certify that to their knowledge and in their respective capacities that the Company's quarterly report on Form 10-Q to which this certification is attached (the "Report"), fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2014

By: /s/ ANTHONY S. MARUCCI  
Name: Anthony S. Marucci  
Title: President and Chief Executive Officer

Date: May 1, 2014

By: /s/ AVERY W. CATLIN  
Name: Avery W. Catlin  
Title: Senior Vice President and  
Chief Financial Officer

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Celldex Therapeutics, Inc. and will be retained by Celldex Therapeutics, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

---