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, 2020

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	**No. 13-3191702**
(State or other jurisdiction of incorporation or organization)	(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)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $.001	CLDX	Nasdaq Capital Market

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 30, 2020, 18,938,085 shares of common stock, $.001 par value per share, were outstanding.

CELLDEX THERAPEUTICS, INC.

FORM 10-Q

For the Quarterly Period Ended March 31, 2020

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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, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 22,724	$ 11,232
Marketable Securities	30,998	53,151
Accounts and Other Receivables	1,108	1,015
Prepaid and Other Current Assets	1,088	1,300
Total Current Assets	55,918	66,698
Property and Equipment, Net	4,116	4,031
Operating Lease Right-of-Use Assets, Net	3,739	3,473
Intangible Assets, Net	48,690	48,690
Other Assets	41	41
Total Assets	$ 112,504	$ 122,933
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 1,609	$ 1,174
Accrued Expenses	5,648	6,499
Current Portion of Operating Lease Liabilities	1,682	1,944
Current Portion of Other Long-Term Liabilities	1,993	2,026
Total Current Liabilities	10,932	11,643
Long-Term Portion of Operating Lease Liabilities	2,106	1,713
Other Long-Term Liabilities	15,763	15,551
Total Liabilities	28,801	28,907
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, 2020 and December 31, 2019	—	—
Common Stock, $.001 Par Value; 297,000,000 Shares Authorized; 17,730,802 and 16,972,077 Shares Issued and Outstanding at March 31, 2020 and December 31, 2019, Respectively	18	17
Additional Paid-In Capital	1,107,029	1,104,706
Accumulated Other Comprehensive Income	2,597	2,619
Accumulated Deficit	(1,025,941)	(1,013,316)
Total Stockholders' Equity	83,703	94,026
Total Liabilities and Stockholders' Equity	$ 112,504	$ 122,933

See accompanying notes to unaudited condensed consolidated financial statements

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

(In thousands, except per share amounts)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
REVENUES:		
Product Development and Licensing Agreements	$ 2,286	$ 129
Contracts and Grants	442	1,296
Total Revenues	2,728	1,425
OPERATING EXPENSES:		
Research and Development	11,695	11,151
General and Administrative	3,666	4,896
Other Asset Impairment	—	1,800
Loss on Fair Value Remeasurement of Contingent Consideration	234	1,519
Total Operating Expenses	15,595	19,366
Operating Loss	(12,867)	(17,941)
Investment and Other Income, Net	242	702
Net Loss	$ (12,625)	$ (17,239)
Basic and Diluted Net Loss Per Common Share	$ (0.73)	$ (1.40)
Shares Used in Calculating Basic and Diluted Net Loss Per Share	17,406	12,297
COMPREHENSIVE LOSS:		
Net Loss	$ (12,625)	$ (17,239)
Other Comprehensive Income (Loss):		
Unrealized Gain (Loss) on Marketable Securities	(22)	19
Comprehensive Loss	$ (12,647)	$ (17,220)

See accompanying notes to unaudited condensed consolidated financial statements

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

(In thousands)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Cash Flows From Operating Activities:		
Net Loss	$ (12,625)	$ (17,239)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization	1,165	1,352
Amortization and Premium of Marketable Securities, Net	(63)	(345)
Loss on Sale or Disposal of Assets	—	25
Other Asset Impairment	—	1,800
Loss on Fair Value Remeasurement of Contingent Consideration	234	1,519
Stock-Based Compensation Expense	687	1,693
Changes in Operating Assets and Liabilities:		
Accounts and Other Receivables	(93)	855
Prepaid and Other Current Assets	206	299
Accounts Payable and Accrued Expenses	(853)	(1,455)
Other Liabilities	(768)	(1,737)
Net Cash Used in Operating Activities	(12,110)	(13,233)
Cash Flows From Investing Activities:		
Sales and Maturities of Marketable Securities	22,200	37,886
Purchases of Marketable Securities	—	(21,404)
Acquisition of Property and Equipment	(235)	(186)
Net Cash Provided by Investing Activities	21,965	16,296
Cash Flows From Financing Activities:		
Net Proceeds from Stock Issuances	1,613	4,151
Proceeds from Issuance of Stock from Employee Benefit Plans	24	9
Net Cash Provided by Financing Activities	1,637	4,160
Net Increase in Cash and Cash Equivalents	11,492	7,223
Cash and Cash Equivalents at Beginning of Period	11,232	24,310
Cash and Cash Equivalents at End of Period	$ 22,724	$ 31,533
Non-cash Investing Activities		
Accrued construction in progress	$ 462	$ 65

See accompanying notes to unaudited condensed consolidated financial statements

(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 balances and 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, 2019, which are included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 26, 2020. 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 condensed 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, 2020.

Under U.S. GAAP, the Company has the responsibility to evaluate whether conditions and/or events raise substantial doubt about its ability to meet its future financial obligations as they become due within one year after the date that the financial statements are issued. This evaluation shall initially not take into consideration the potential mitigating effects of plans that have not been fully implemented as of the date the financial statements are issued. The Company's financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities in the ordinary course of business. At March 31, 2020, the Company had cash, cash equivalents and marketable securities of $53.7 million. The Company has had recurring losses and incurred a loss of $12.6 million for the three months ended March 31, 2020. Net cash used in operations for the three months ended March 31, 2020 was $12.1 million. As of May 6, 2020, the date of issuance of the consolidated financial statements, the Company expects that its cash, cash equivalents and marketable securities of $53.7 million as of March 31, 2020 will be sufficient to fund its operating expenses and capital expenditure requirements into the second quarter of 2021. The future viability of the Company beyond that point is dependent on the Company's ability to raise additional capital to finance its operations. The Company has generated no product revenue to date and cannot predict when and if it will generate product revenue. The Company has had recurring losses and anticipate operating losses to continue for the foreseeable future due to, among other things, costs related to research, development of product candidates, conducting preclinical studies and clinical trials, facilities and general and administrative expenses. These conditions raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

During the next twelve months and beyond, the Company will take further steps to raise additional capital to meet its liquidity needs including, but may not be limited to, one or more of the following: the licensing of drug candidates 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. Although the Company has been successful in raising capital in the past, 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 financings 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. The Company's ability to continue funding its planned operations into and beyond twelve months from the issuance date is also dependent on the timing and manner of payment of contingent milestones from the Kolltan acquisition, in the event that the Company achieves the drug candidate milestones related to those payments. The Company, at its option, may decide to pay those milestone payments in cash, shares of its common stock or a combination thereof. If the Company is unable to raise the funds necessary to meet its liquidity needs, it may have to delay or discontinue the development of one or more programs, discontinue or delay ongoing or anticipated clinical trials, license out programs earlier than expected, raise funds at a significant discount or on other unfavorable terms, if at all, or sell all or a part of the Company. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In December 2019, a novel strain of coronavirus, now referred to as COVID-19, surfaced in Wuhan, China. The virus continues to spread globally, has been declared a pandemic by the World Health Organization and has spread to over 200 countries, including the United States. The impact of this pandemic has been and will likely continue to be extensive in many aspects of society, which has resulted in and will likely continue to result in significant disruptions to the global economy, as well as businesses and capital markets around the world. COVID-19 has had a more severe impact in New Jersey, Massachusetts and Connecticut, where the Company has office, research and manufacturing facilities, than in other parts of the United States. In an effort to halt the outbreak of COVID-19, various states, including New Jersey, Massachusetts and Connecticut, have placed significant restrictions on travel and many businesses have announced extended closures which could adversely impact our operations. To date, the Company has not experienced significant delays or disruptions in planned and ongoing preclinical and clinical trials, manufacturing or shipping. Potential impacts to our business include delays in planned and ongoing preclinical and clinical trials including enrollment of patients, disruptions in time and resources provided by independent clinical investigators, contract research organizations, other third-party service providers, temporary closures of our facilities, disruptions or restrictions on our employees' ability to travel, and delays in manufacturing and/or shipments to and from third party suppliers and contract manufacturers for APIs and drug product. Any prolonged negative impacts to our business could materially impact our operating results and could lead to impairments of our Intangible (IPR&D) assets which amounted to $48.7 million at March 31, 2020.

(2) Significant Accounting Policies

The significant accounting policies used in preparation of these condensed consolidated financial statements on Form 10-Q for the three months ended March 31, 2020 are consistent with those discussed in Note 2 to the financial statements in our Annual Report on Form 10-K for the year ended December 31, 2019, except as it relates to the adoption of new accounting standards during the first three months of 2020 as discussed below.

Newly Adopted Accounting Pronouncements

On January 1, 2020, the Company adopted a new accounting standard that modifies certain disclosure requirements for fair value measurements. For instance, the Company is required to disclose weighted average information for significant unobservable inputs for all Level 3 fair value measurements. The adoption of this new guidance did not have a material impact on the Company's consolidated financial statements and related disclosures. Refer to Note 3 for the disclosures related to the Company's level 3 fair value measurements.

On January 1, 2020, the Company adopted a new accounting standard that clarifies the interaction between the accounting guidance for collaborative arrangements and revenue from contracts with customers. The amendments clarify that certain transactions between collaborative arrangement participants should be accounted for as revenue under ASC 606, when the collaborative arrangement participant is a customer in the context of a unit of account. The adoption of this standard did not have a material impact on our consolidated financial statements, as we have no arrangements within the scope of ASC 808.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the 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 consolidated financial statements upon adoption.

In June 2016, the FASB issued guidance on the Measurement of Credit Losses on Financial Instruments. The guidance requires that credit losses be reported using an expected losses model rather than the incurred losses model that is currently used, and establishes additional disclosures related to credit risks. For available-for-sale debt securities with unrealized losses, the standard now requires allowances to be recorded instead of reducing the amortized cost of the investment. This standard will be effective for the Company on January 1, 2023. We are currently evaluating the potential impact that this standard may have on the Company's consolidated financial statements and related disclosures.

(3) Fair Value Measurements

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

	As of March 31, 2020	Level 1	Level 2	Level 3
		(In thousands)		
Assets:				
Money market funds and cash equivalents	$ 15,396	—	$ 15,396	—
Marketable securities	30,998	—	30,998	—
	$ 46,394	—	$ 46,394	—
Liabilities:				
Kolltan acquisition contingent consideration	$ 12,719	—	—	$ 12,719
	$ 12,719	—	—	$ 12,719

	As of December 31, 2019	Level 1	Level 2	Level 3
		(In thousands)		
Assets:				
Money market funds and cash equivalents	$ 4,024	—	$ 4,024	—
Marketable securities	53,151	—	53,151	—
	$ 57,175	—	$ 57,175	—
Liabilities:				
Kolltan acquisition contingent consideration	$ 12,485	—	—	$ 12,485
	$ 12,485	—	—	$ 12,485

The Company's financial assets consist mainly of money market funds, cash equivalents and marketable securities and are classified as Level 2 within the valuation hierarchy. 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.

The following table reflects the activity for the Company's contingent consideration liabilities measured at fair value using Level 3 inputs for the three months ended March 31, 2020 (in thousands):

	Other Liabilities: Contingent Consideration
Balance at December 31, 2019	$ 12,485
Fair value adjustments included in operating expenses	234
Balance at March 31, 2020	$ 12,719

The valuation technique used to measure fair value of the Company's Level 3 liabilities, which consist of contingent consideration related to the acquisition of Kolltan in 2016, was primarily an income approach. The significant unobservable inputs used in the fair value measurement of the contingent consideration are estimates including probability of success, discount rates and amount of time until the conditions of the milestone payments are met. As of March 31, 2020, the weighted average discount rate used in calculating the fair value of contingent consideration was 16.5% (with a range of 16.3% to 18.9%) and the weighted average amount of time until the conditions of the milestone payments are met was 3 years.

During the three months ended March 31, 2020, the Company recorded a $0.2 million loss on fair value remeasurement of contingent consideration, respectively, primarily due to the passage of time. During the three months ended March 31, 2019, the Company recorded a $1.5 million loss on fair value remeasurement of contingent consideration, primarily due to changes in discount rates and the passage of time. The assumptions related to determining the fair value of contingent consideration include a significant amount of judgment, and any changes in the underlying estimates could have a material impact on the amount of contingent consideration adjustment recorded in any given period.

The Company did not have any transfers in or out of Level 3 assets or liabilities during the three months ended March 31, 2020.

(4) Marketable Securities

The following is a summary of marketable debt securities, classified as available-for-sale:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
March 31, 2020				
U.S. government and municipal obligations (maturing in one year or less)	$ 10,538	$ 16	$ —	$ 10,554
Corporate debt securities (maturing in one year or less)	20,459	—	(15)	20,444
Total Marketable Securities	$ 30,997	$ 16	$ (15)	$ 30,998
December 31, 2019				
U.S. government and municipal obligations (maturing in one year or less)	$ 18,509	$ 13	$ —	$ 18,522
Corporate debt securities (maturing in one year or less)	34,619	13	(3)	34,629
Total Marketable Securities	$ 53,128	$ 26	$ (3)	$ 53,151

The Company holds investment-grade marketable securities, and none were in a continuous unrealized loss position for more than twelve months as of March 31, 2020 and December 31, 2019. The unrealized losses are attributable to changes in interest rates and the Company does not believe any unrealized losses represent other-than-temporary impairments. Marketable securities include $0.2 million in accrued interest at March 31, 2020 and December 31, 2019.

(5) Intangible Assets

At March 31, 2020 and 2019, the Company recorded indefinite-lived intangible assets of $48.7 million. Indefinite-lived intangible assets consist of acquired in-process research and development (“IPR&D”) related to the development of CDX-3379, the anti-KIT program (including CDX-0159) and the TAM program. CDX-3379 is in Phase 2 development, CDX-0159 is in Phase 1 development, and the TAM program is in preclinical development. As of March 31, 2020, none of the Company’s IPR&D assets had reached technological feasibility nor did any have alternative future uses.

The Company performs an impairment test on IPR&D assets at least annually, or more frequently if events or changes in circumstances indicate that IPR&D assets may be impaired. Due to the nature of IPR&D projects, the Company may experience future delays or failures to obtain regulatory approvals to conduct clinical trials, failures of such clinical trials or other failures to achieve a commercially viable product, and as a result, may recognize further impairment losses in the future.

(6) Other Assets

In 2016, the Company entered into a research and collaboration agreement with an undisclosed private company to access novel technologies and paid $3.5 million to support research activities and make an investment in the private company. The Company recorded $1.8 million to other assets related to this investment and $1.7 million was recorded to research and development expense over the term of the research activities. The stock of the private company does not have a readily determinable fair value, and therefore it is measured at cost less impairment, if any. Based on information received in April 2019, it was determined that there was a deterioration of the private company’s financial condition due to a working capital deficiency and an inability to secure additional funding as of March 31, 2019. Therefore, the Company concluded that the investment was impaired, and a non-cash impairment charge of $1.8 million was recorded during the first quarter of 2019.

(7) Other Long-Term Liabilities

Other long-term liabilities include the following:

	March 31, 2020	December 31, 2019
	(In thousands)	
Net Deferred Tax Liabilities Related to IPR&D (Note 12)	$ 3,007	$ 3,007
Deferred Income From Sale of Tax Benefits	1,831	1,831
Contingent Milestones (Note 3)	12,719	12,485
Deferred Revenue (Note 11)	199	254
Total	17,756	17,577
Less Current Portion	(1,993)	(2,026)
Long-Term Portion	$ 15,763	$ 15,551

In November 2015, the Company received approval from the New Jersey Economic Development Authority and agreed to sell New Jersey tax benefits of $9.8 million to an independent third party for $9.2 million. 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. The Company recognized $0.0 million and $0.2 million in other income related to the sale of these tax benefits during the three months ended March 31, 2020 and 2019, respectively.

(8) Stockholders' Equity

In May 2016, the Company entered into a controlled equity offering sales agreement agreement (the "Cantor Agreement") with Cantor Fitzgerald & Co. ("Cantor") to allow the Company to issue and sell shares of its common stock from time to time through Cantor, acting as agent. In March 2020, the Company filed a prospectus supplement for the amount of shares that the Company is eligible to sell pursuant to the Cantor Agreement. Under the March 2020 prospectus supplement, the Company may offer and sell shares of common stock having an aggregate offering price of up to $18,000,000. During the three months ended March 31, 2020, the Company issued 0.7 million shares of common stock pursuant to the Cantor Agreement resulting in net proceeds of $1.6 million after deducting commission and offering expenses. At March 31, 2020, the Company had $17.9 million remaining in aggregate gross offering price available under the March 2020 prospectus supplement. In April 2020, the Company issued 1.2 million shares of its common stock resulting in net proceeds to the Company of $2.9 million.

The changes in Stockholders' Equity during the three months ended March 31, 2020 and 2019 are summarized below:

	Common Stock Shares	Common Stock Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	(In thousands, except share amounts)					
Consolidated Balance at December 31, 2019	16,972,077	17	1,104,706	2,619	(1,013,316)	94,026
Shares Issued under Stock Option and Employee Stock Purchase Plans	12,573	—	24	—	—	24
Shares Issued in Connection with Cantor Agreement	746,152	1	1,613	—	—	1,614
Share-Based Compensation	—	—	686	—	—	686
Unrealized Loss on Marketable Securities	—	—	—	(22)	—	(22)
Net Loss	—	—	—	—	(12,625)	(12,625)
Consolidated Balance at March 31, 2020	17,730,802	$ 18	$ 1,107,029	$ 2,597	$ (1,025,941)	$ 83,703

	Common Stock Shares	Common Stock Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	(In thousands, except share amounts)					
Consolidated Balance at December 31, 2018	11,957,635	12	1,083,903	2,583	(962,438)	124,060
Shares Issued under Stock Option and Employee Stock Purchase Plans	3,507	—	9	—	—	9
Shares Issued in Connection with Cantor Agreement	883,569	1	4,150	—	—	4,151
Share-Based Compensation	—	—	1,693	—	—	1,693
Unrealized Loss on Marketable Securities	—	—	—	19	—	19
Net Loss	—	—	—	—	(17,239)	(17,239)
Consolidated Balance at March 31, 2019	12,844,711	$ 13	$ 1,089,755	$ 2,602	$ (979,677)	$ 112,693

(9) Stock-Based Compensation

A summary of stock option activity for the three months ended March 31, 2020 is as follows:

	Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (In Years)
Options Outstanding at December 31, 2019	1,699,202	$ 44.87	8.0
Granted	2,750	$ 1.66	
Exercised	—	—	
Canceled	(43,811)	$ 50.59	
Options Outstanding at March 31, 2020	1,658,141	$ 44.65	7.8
Options Vested and Expected to Vest at March 31, 2020	1,585,639	$ 46.50	7.8
Options Exercisable at March 31, 2020	576,042	$ 118.98	5.6
Shares Available for Grant Under the 2008 Plan	465,324		

The weighted average grant-date fair value of stock options granted during the three month period ended March 31, 2020 was $1.23. Stock-based compensation expense for the three months ended March 31, 2020 and 2019 was recorded as follows:

	Three months ended March 31,	
	2020	2019
	(In thousands)	
Research and development	$ 310	$ 756
General and administrative	377	937
Total stock-based compensation expense	$ 687	$ 1,693

The fair values of employee and director stock options granted during the three months ended March 31, 2020 and 2019 were valued using the Black-Scholes option pricing model with the following assumptions:

	Three months ended March 31,	
	2020	2019
Expected stock price volatility	91%	91%
Expected option term	6.0 Years	6.0 Years
Risk-free interest rate	0.6%	2.5%
Expected dividend yield	None	None

(10) Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income, which is reported as a component of stockholders' equity, for the three months ended March 31, 2020 are summarized below:

	Unrealized Gain/(Loss) on Marketable Securities	Foreign Currency Items	Total
		(In thousands)	
Balance at December 31, 2019	$ 23	$ 2,596	$ 2,619
Other comprehensive loss	(22)	—	(22)
Balance at March 31, 2020	$ 1	$ 2,596	$ 2,597

No amounts were reclassified out of accumulated other comprehensive income during the three months ended March 31, 2020.

(11) Revenue

Product Development and Licensing Revenue

The Company entered into an agreement with Rockefeller University in September 2013, as amended, (the "Rockefeller Agreement") pursuant to which the Company performs manufacturing and development services for Rockefeller University for their portfolio of antibodies against HIV. This portfolio was licensed to Gilead Sciences in January 2020 from Rockefeller University ("Rockefeller Transaction"). Pursuant to the Rockefeller Agreement, the Company received an upfront payment of $1.8 million as a result of the Rockefeller Transaction which was recorded to revenue during the three months ended March 31, 2020. The Company is eligible to receive additional payments from Rockefeller University if this portfolio progresses through clinical and commercial development.

Contract and Grants Revenue

The Company has entered into the Rockefeller Agreement and an agreement with Duke University pursuant to which the Company performs manufacturing and research and development services on a time-and-materials basis. The Company recognized $0.4 million and $1.2 million in revenue for labor hours and direct costs incurred under these agreements during the three months ended March 31, 2020 and 2019, respectively.

Contract Assets and Liabilities

At December 31, 2019 and March 31, 2020, the Company's right to consideration under all contracts was considered unconditional, and as such, there were no recorded contract assets. At December 31, 2019 and March 31, 2020, the Company had $0.3 million and $0.2 million in contract liabilities recorded, respectively. Revenue recognized from contract liabilities as of December 31, 2019 during the three months ended March 31, 2020 was $0.1 million.

(12) Income Taxes

The Company has evaluated the positive and negative evidence bearing upon the realizability of its net deferred tax assets and considered its history of losses, ultimately concluding that it is "more likely than not" that the Company will not recognize the benefits of federal, state and foreign deferred tax assets and, as such, has maintained a full valuation allowance on its deferred tax assets as of March 31, 2020 and December 31, 2019.

The net deferred tax liability of $3.0 million at March 31, 2020 and December 31, 2019 relates to the temporary differences associated with the IPR&D intangible assets acquired in previous business combinations and is not deductible for tax purposes.

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

(13) 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 common shares outstanding during the period when the effect is dilutive. In periods in which the Company reports a net loss, there is no difference between basic and diluted net loss per share because dilutive shares of common stock are not assumed to have been issued as their effect is anti-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:

	Three Months Ended March 31,	
	2020	**2019**
Stock Options	1,658,141	836,104
Restricted Stock	1,110	3,552
	1,659,251	839,656

(14) Kolltan Acquisition

On November 29, 2016, the Company acquired all of the share and debt interests of Kolltan Pharmaceuticals, Inc. (“Kolltan”), a clinical-stage biopharmaceutical company, in exchange for 1,217,200 shares of the Company’s common stock plus contingent consideration in the form of development, regulatory approval and sales-based milestones (“Kolltan Milestones”) of up to $172.5 million. The Kolltan Milestone payments, if any, may be made, at Celldex’s sole election, in cash, in shares of Celldex’s common stock or a combination of both, subject to provisions of the Merger Agreement. Certain Kolltan Milestones have been abandoned consistent with the provisions of the Merger Agreement and, because of this, as of March 31, 2020, the Company believes that the adjusted amount we may be required to pay for future consideration is up to $127.5 million contingent upon the achievement of the Kolltan Milestones.

In October 2019, the Company received a letter from the representative of Kolltan’s former stockholders notifying the Company that it objected to the Company’s abandonment of certain Kolltan Milestones relating to development, regulatory approval and sales-based milestones. The Company disagrees with their objection and believes their objection to be without merit. The Company is discussing with the representative of Kolltan’s former stockholders potential amendments to the Merger Agreement with respect to the Kolltan Milestones. There can be no assurances that an amendment to the Merger Agreement will be completed on terms acceptable to the Company or at all. At this time, the Company is unable to reasonably assess the ultimate outcome of the Company’s disagreement with the representative of Kolltan’s former stockholders over its objection to the Company’s abandonment of certain Kolltan Milestones or determine an estimate of potential losses, if any.

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 dependence on product candidates, which are still in an early development stage;
- our ability to successfully complete research and further development, including animal, preclinical and clinical studies, and, if we obtain regulatory approval, commercialization of our drug candidates and the growth of the markets for those drug candidates;
- our ability to raise sufficient capital to fund our animal, preclinical and clinical studies and to meet our liquidity needs, on terms acceptable to us, or at all. If we are unable to raise the funds necessary to meet our liquidity needs, we may have to delay or discontinue the development of one or more programs, discontinue or delay ongoing 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 continue as a going concern;
- our anticipated timing for preclinical development, regulatory submissions, commencement and completion of clinical trials and product approvals;
- The impact of the recent outbreak of a novel strain of coronavirus ("COVID-19") on our business or on the economy generally;
- Whether the recent coronavirus outbreak will affect the timing of the completion of our planned and/or currently ongoing preclinical/clinical trials;
- our ability to negotiate strategic partnerships, where appropriate, for our drug candidates;
- our ability to manage multiple clinical trials for a variety of drug candidates at different stages of development;
- the cost, timing, scope and results of ongoing preclinical and clinical testing;
- our expectations of the attributes of our product and development candidates, including pharmaceutical properties, efficacy, safety and dosing regimens;
- the cost, timing and uncertainty of obtaining regulatory approvals for our drug candidates;
- the availability, cost, delivery and quality of clinical management services provided by our clinical research organization partners;
- 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;

- our ability to develop and commercialize products before competitors that are superior to the alternatives developed by such competitors;

- our ability to develop technological capabilities, including identification of novel and clinically important targets, exploiting our existing technology platforms to develop new drug candidates and expand our focus to broader markets for our existing targeted immunotherapeutics;

- the cost of paying development, regulatory approval and sales-based milestones under the merger agreement by which we acquired Kolltan, including under any future amendment to that agreement;

- our ability to realize the anticipated benefits from the acquisition of Kolltan;

- 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;

- our ability to develop and commercialize products without infringing the intellectual property rights of third parties; and

- the risk factors set forth elsewhere in this quarterly report on Form 10-Q 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, 2019 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 immunotherapies and other targeted biologics. Our drug candidates are derived from a broad set of human and bispecific antibodies which have the ability to engage the human immune system and/or directly inhibit tumors to treat specific types of cancer or other diseases. They are aimed at addressing market opportunities for which we believe current therapies are inadequate or non-existent.

We are focusing our efforts and resources on the continued research and development of:

- CDX-1140, an agonist monoclonal antibody targeted to CD40, a key activator of immune response, currently being studied as a single-agent and in combination with CDX-301, a dendritic cell growth factor. Dose escalation was recently completed in a Phase 1 study in solid tumors and lymphoma and the recommended dose for further study was determined to be 1.5 mg/kg for both CDX-1140 monotherapy and in combination with CDX-301. Celldex has initiated multiple expansion cohorts within the study, including a combination cohort with KEYTRUDA® (pembrolizumab). The Company is exploring additional combination cohorts with mechanisms that we believe could be complementary or synergistic with CDX-1140.

- CDX-3379, a monoclonal antibody designed to block the activity of ErbB3 (HER3), currently in an early Phase 2 study in advanced head and neck squamous cell cancer in combination with Erbitux®;

- CDX-0159, a monoclonal antibody that specifically binds the KIT receptor and potently inhibits its activity, which recently completed enrollment and treatment of healthy subjects in a Phase 1a study. We plan to study CDX-0159 in mast cell driven diseases, including, initially, chronic spontaneous urticaria (CSU) and chronic inducible urticarias (CINDUs); and,

- CDX-527, a bispecific antibody that uses our proprietary highly active anti-PD-L1 and CD27 human antibodies to couple CD27 co-stimulation with blockade of the PD-L1/PD-1 pathway, for which we are planning a Phase 1 study in advanced solid tumors.

We routinely work with external parties to collaboratively advance our drug candidates. In addition to Celldex-led studies, we also have an Investigator Initiated Research (IIR) program with multiple studies ongoing with our drug candidates.

Our goal is to build a fully integrated, commercial-stage biopharmaceutical company that develops important therapies for patients with unmet medical needs. We believe 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. Currently, all programs are fully owned by Celldex.

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 drug candidate. It is not unusual for the clinical development of these types of drug candidates to each take five years or more, and for total development costs to exceed $100 million for each drug candidate. We estimate that clinical trials of the type we generally conduct are typically completed over the following timelines:

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 drug candidate.

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

An element of our business strategy is to pursue the discovery, research and development of a broad portfolio of drug candidates. This is intended to allow us to diversify the risks associated with our research and development expenditures. To the extent we are unable to maintain a broad range of drug candidates, our dependence on the success of one or a few drug candidates increases.

Regulatory approval is required before we can market our drug 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 demonstrate that our product candidates are 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 drug candidates. In the event that third parties take over the clinical trial process for one of our drug 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, 2019, we incurred an aggregate of $408.2 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, 2020 and 2019. 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.

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
	(In thousands)	
CDX-1140	$ 3,136	$ 1,573
CDX-3379	813	1,161
CDX-0159/Anti-KIT Program	1,246	1,143
CDX-527	2,924	1,082
TAM Program	811	1,336
Other Programs	2,765	4,856
Total R&D Expense	$ 11,695	$ 11,151

Clinical Development Programs

CDX-1140

CDX-1140 is a fully human agonist monoclonal antibody targeted to CD40, a key activator of immune response, which is found on dendritic cells, macrophages and B cells and is also expressed on many cancer cells. Potent CD40 agonist antibodies have shown encouraging results in early clinical studies; however, systemic toxicity associated with broad CD40 activation has limited their dosing. CDX-1140 has unique properties relative to other CD40 agonist antibodies: potent agonist activity is independent of Fc receptor interaction, contributing to more consistent, controlled immune activation; CD40L binding is not blocked, leading to potential synergistic effects of agonist activity near activated T cells in lymph nodes and tumors; and the antibody does not promote cytokine production in whole blood assays. CDX-1140 has shown direct anti-tumor activity in preclinical models of lymphoma. Preclinical studies of CDX-1140 clearly demonstrate strong immune activation effects and low systemic toxicity and support the design of the Phase 1 study to identify the dose for characterizing single-agent and combination activity.

We initiated a Phase 1 study of CDX-1140 in November 2017. This study is expected to enroll up to approximately 220 patients with recurrent, locally advanced or metastatic solid tumors and B cell lymphomas. The study is designed to determine the maximum tolerated dose, or MTD, during a dose-escalation phase (0.01 to 3.0 mg/kg once every four weeks until confirmed progression or intolerance) and to recommend a dose level for further study in a subsequent expansion phase. The expansion is designed to further evaluate the tolerability and biologic effects of selected dose(s) of CDX-1140 in specific tumor types. Secondary objectives include assessments of safety and tolerability, pharmacodynamics, pharmacokinetics, immunogenicity and additional measures of anti-tumor activity, including clinical benefit rate. We believe that the potential for CDX-1140 will be best defined in combination studies with other immunotherapies or conventional cancer treatments.

In support of this, the Phase 1 study protocol also allows for the exploration of CDX-1140 in combination with CDX-301 at a fixed dose of CDX-301 and escalating doses of CDX-1140. Dendritic cells, which express CD40, are often rare or missing from the tumor microenvironment and are critical for initiating anti-tumor immunity. CDX-301, a recombinant FMS-like tyrosine kinase 3 ligand, or Flt3L, is a hematopoietic cytokine that uniquely expands dendritic cells and hematopoietic stem cells, and in combination with other agents may potentiate anti-tumor responses. CDX-301 is being utilized as a priming agent in this study to increase the number of dendritic cells in blood and tissue available for CDX-1140 activation. CDX-1140 should, in turn, activate and mature the dendritic cells, an important step for enhancing anti-tumor immune responses.

Interim data from this ongoing study were presented at the Society for Immunotherapy of Cancer’s (SITC) 34th Annual Meeting in November 2019. CDX-1140 monotherapy dose escalation in the study is complete and the maximum tolerated dose and recommended Phase 2 dose was defined as 1.5 mg/kg every four weeks. CDX-1140 monotherapy and combination with CDX-301 was generally well tolerated, with mostly grade 1 or grade 2 drug related adverse events reported. Two patients out of six experienced pneumonitis as dose limiting toxicities (DLTs) in the CDX-1140 3.0 mg/kg monotherapy cohort. There were no DLTs observed in the CDX-301 combination cohorts up to 0.72 mg/kg CDX-1140. A cohort of CDX-1140 at 1.5 mg/kg plus CDX-301, which was ongoing at the time of data release, has subsequently completed dose escalation with no DLTs observed; therefore, the recommended dose of CDX-1140 in combination with CDX-301 is 1.5mg/kg.

As of the cut-off date for data reporting for SITC, 62 patients with advanced refractory solid tumors or lymphoma were enrolled and 38 patients had pre- and post-treatment scans available. Patients were heavily pretreated (median of 4 prior therapies) and per protocol were required to have received all standard of care treatments prior to study entry. CDX-1140 demonstrated clinical and biological activity in the study.

- Two of five patients with head and neck squamous cell carcinoma (HNSCC) treated with CDX-1140 doses of 0.72 mg/kg or higher experienced clinical activity. The first patient experienced dramatic shrinkage of a large, protruding neck mass on physical exam after two doses of CDX-1140 at 1.5 mg/kg with documented evidence of tumor necrosis/cavitation on CT scan. This patient also reported decreased tumor pain. A second patient experienced cavitation of greater than 50% of lung metastases on CT scan after one dose of CDX-1140 3 mg/kg.

- A patient with gastroesophageal carcinoma experienced a RECIST response after two cycles of CDX-1140 0.36 mg/kg plus CDX-301 that included 41% shrinkage of liver and lymph node target lesions, with near complete resolution of the liver lesion. This response was durable for four months.

- Six patients experienced stable disease (n=4 CDX-1140 monotherapy; n=2 CDX-1140/CDX-301 combination) with a duration of 1.8 months to 5.4 months.

- One patient experienced immune unconfirmed progressive disease on their first scan and continued on treatment for 10+ months without confirmation of progressive disease at CDX-1140 0.09 mg/kg plus CDX-301.

Potent pharmacological effects associated with immune activation were also observed, including transient induction of inflammatory cytokines and chemokines associated with dendritic cell and T cell activation at higher dose levels. Similar activation was observed with each cycle of therapy. Peripheral blood immune cells had upregulated immune activation markers and CDX-301 markedly increased the number of dendritic cells and was associated with higher IL-12p40 induction, a key molecule for inducing anti-tumor T cell responses.

CDX-1140 monotherapy expansion cohorts in HNSCC, renal cell carcinoma and gastroesophageal adenocarcinoma have been added to the study, along with a combination cohort of CDX-1140 and CDX-301 in HNSCC. In addition, we have amended the ongoing Phase 1 study to evaluate CDX-1140 in combination with KEYTRUDA® (pembrolizumab), Merck's anti-PD-1 therapy, under a clinical trial collaboration agreement with Merck (known as MSD outside of the U.S. and Canada). The cohort is designed to characterize the safety, pharmacodynamics and activity of CDX-1140 in combination with pembrolizumab in patients refractory to PD1/PDL1 treatment. Enrollment is ongoing. The Company is exploring additional combination cohorts with mechanisms that we believe could be complementary or synergistic with CDX-1140.

CDX-3379

CDX-3379 is a human monoclonal antibody with half-life extension designed to block the activity of ErbB3 (HER3). We believe ErbB3 may be an important receptor regulating cancer cell growth and survival as well as resistance to targeted therapies. ErbB3 is expressed in many cancers, including head and neck, thyroid, breast, lung and gastric cancers, as well as melanoma. We believe the proposed mechanism of action for CDX-3379 sets it apart from other drugs in development in this class due to its ability to block both ligand-independent and ligand-dependent ErbB3 signaling by binding to a unique epitope. It has a favorable pharmacologic profile, including a longer half-life and slower clearance relative to other drug candidates in this class. We believe CDX-3379 also has potential to enhance anti-tumor activity and/or overcome resistance in combination with other targeted and cytotoxic therapies to directly kill tumor cells. Tumor cell death and the ensuing release of new tumor antigens has the potential to serve as a focus for combination therapy with immuno-oncology approaches, even in refractory patients. CDX-3379 has been evaluated in three Phase 1 studies for the treatment of multiple solid tumors that express ErbB3 and is currently being evaluated in a Phase 2 study.

Enrollment opened in November 2017 to an open-label Phase 2 study in combination with Erbitux in patients with human papillomavirus (HPV) negative, Erbitux-resistant, advanced HNSCC who have previously been treated with an anti-PD1 checkpoint inhibitor, a population with limited options and a particularly poor prognosis. The study was initially designed as a Simon two-stage design with an interim futility analysis following enrollment of the first 13 patients. According to the study design, if at least one patient achieved an objective response in the first stage, enrollment could progress to the second stage. The primary endpoint of the study is objective response rate (ORR). Secondary endpoints include assessments of clinical benefit response (CBR), duration of response (DOR), progression-free survival (PFS), overall survival (OS), and safety and pharmacokinetics associated with the combination. Enrollment to the first stage of the Phase 2 study (n=15) is complete and interim data from the study were presented at the 2019 ASCO Annual Meeting in June that support the continued development of CDX-3379.

Patients had a median of 3 (range of 2-6) prior cancer therapy treatments. All patients had received prior checkpoint inhibitor treatment and 14 of 15 patients were cetuximab refractory. Notable clinical activity was observed in this refractory patient population. A durable confirmed complete response (11+ months) was observed. An unconfirmed partial response (uPR) in a patient that had not received cetuximab was also observed. 7 patients experienced stable disease (47%; includes uPR). A clinical benefit rate of 29% was achieved (objective response or stable disease greater than or equal to 12 weeks). CDX-3379 in combination with cetuximab was generally associated with the expected target-mediated adverse events of diarrhea and rash.

Emerging data from the Phase 2 study and earlier studies of CDX-3379 suggest that antitumor activity may be associated with somatic mutations in certain genes. Based on these observations, next-generation sequencing was performed on tumor samples from 18 patients with HNSCC treated with CDX-3379 across three clinical studies of CDX-3379 that have enrolled patients with HNSCC. This data set included four patients with clinical responses, eight patients with stable disease and/or tumor shrinkage, and six patients with progressive disease. Key findings are outlined below.

- All four clinical responses occurred in patients with mutations in the FAT1 gene.
- All four clinical responses occurred in patients with a primary tumor site of oral cavity.
- Three of the four clinical responses occurred in patients who also had mutations in NOTCH1, NOTCH2 or NOTCH3 genes.
- Also, of note, all patients (n=7 of 18) who experienced clinical benefit (objective response or stable disease greater than or equal to 12 weeks) had FAT1 and/or NOTCH1-3 mutations.
- FAT1 and NOTCH genes are associated with tumor suppression. Inactivating mutations in the FAT1 and NOTCH genes occur in sizeable subsets of HPV negative HNSCC tumors, having been identified in 32% (FAT1) and 26% (NOTCH) of these tumors, respectively. Preclinical studies investigating the association of CDX-3379 sensitivity and inactivating mutations of FAT1 and other genes are ongoing.

Based on these biomarker observations and the notable clinical activity observed in this refractory patient population, the study has been expanded (n= ~45 patients, including at least 15 patients with FAT1 mutations) to allow for an evaluation of the utility of biomarkers for future patient selection. Enrollment is ongoing.

CDX-0159

CDX-0159 is a humanized monoclonal antibody that specifically binds the receptor tyrosine kinase KIT and potently inhibits its activity. KIT is expressed in a variety of cells, including mast cells, and its activation by its ligand SCF regulates mast cell growth, differentiation, survival, chemotaxis and degranulation. In certain inflammatory diseases, such as chronic spontaneous urticaria (CSU), also known as chronic idiopathic urticaria (CIU) and chronic inducible urticarias (CINDUs), mast cell degranulation plays a central role in the onset and progression of the disease.

CDX-0159 is designed to block KIT activation by disrupting both SCF binding and KIT dimerization. Celldex believes that by targeting KIT, CDX-0159 may be able to inhibit mast cell activity and decrease mast cell numbers to provide potential clinical benefit in mast cell related diseases.

We recently completed enrollment and treatment of healthy subjects in the Phase 1a study of CDX-0159. The study, which was initiated in November 2019, is designed to evaluate the safety profile, pharmacokinetics and pharmacodynamics of single ascending doses of CDX-0159. Based on positive results to date, we plan to initiate studies of CDX-0159 in CSU and CINDU, both mast cell-related diseases, by year-end 2020. CSU presents as itchy hives, angioedema or both for at least six weeks without a specific trigger; multiple episodes can play out over years or even decades. About 50% of patients with CSU achieve symptomatic control with antihistamines or leukotriene receptor antagonists. Omalizumab, an IgE inhibitor, provides relief for roughly half of the remaining antihistamine/leukotriene refractory patients. Consequently, there is a need for more effective later line therapies. CINDUs are forms of urticaria that have an attributable cause or trigger associated with them, typically resulting in hives or wheals. We are exploring cold-induced and dermographism-induced (scratching of the skin-induced) urticarias.

We plan to present data from the Phase 1a study mid-year 2020.

CDX-527

CDX-527 is the first candidate from Celldex's bispecific antibody platform. Bispecifics provide opportunities to engage two independent pathways involved in controlling immune responses to tumors. CDX-527 uses Celldex's proprietary highly active anti-PD-L1 and CD27 human antibodies to couple CD27 co-stimulation with blockade of the PD-L1/PD-1 pathway to help prime and activate anti-tumor T cell responses through CD27 costimulation, while preventing PD-1 inhibitory signals that subvert the immune response.

Celldex's prior clinical experience with combining CD27 activation and PD-1 blockade provide the rationale for linking these two pathways into one molecule. Preclinical data presented at the SITC 34th Annual Meeting in November 2019 demonstrated that CDX-527 is more potent at T cell activation and anti-tumor immunity than the combination of parental monoclonal antibodies.

Celldex plans to initiate a Phase 1 dose-escalation study in up to 90 patients with advanced or metastatic solid tumors that have progressed during or after standard of care therapy in the second half of 2020, followed by tumor-specific expansion cohorts to further evaluate the tolerability, biologic and anti-tumor effects of selected dose level(s) of CDX-527 in specific tumor types.

CRITICAL ACCOUNTING POLICIES

See Note 2 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for information regarding newly adopted and recent accounting pronouncements. See also Note 2 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019 for a discussion of our critical accounting policies. There have been no material changes to such critical accounting policies. We believe our most critical accounting policies include accounting for contingent consideration, revenue recognition, intangible and long-lived assets, research and development expenses and stock-based compensation expense.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2020 Compared with Three Months Ended March 31, 2019

	Three Months Ended March 31,		Increase/ (Decrease)	Increase/ (Decrease)
	2020	2019	$	%
	(In thousands)			
Revenues:				
Product Development and Licensing Agreements	$ 2,286	$ 129	$ 2,157	1,672%
Contracts and Grants	442	1,296	(854)	(66)%
Total Revenue	$ 2,728	$ 1,425	$ 1,303	91%
Operating Expenses:				
Research and Development	11,695	11,151	544	5%
General and Administrative	3,666	4,896	(1,230)	(25)%
Other Asset Impairment	—	1,800	(1,800)	(100)%
Loss on Fair Value Remeasurement of Contingent Consideration	234	1,519	(1,285)	(85)%
Total Operating Expense	15,595	19,366	(3,771)	(19)%
Operating Loss	(12,867)	(17,941)	(5,074)	(28)%
Investment and Other Income, Net	242	702	(460)	(66)%
Net Loss	$ (12,625)	$ (17,239)	$ (4,614)	(27)%

Net Loss

The $4.6 million decrease in net loss for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily the result of an increase in revenue from product development and licensing agreements and a decrease in non-cash other asset impairment expense.

Revenue

The $2.2 million increase in product development and licensing agreements revenue for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily due to the $1.8 million received from the Rockefeller Transaction. The $0.9 million decrease in contracts and grants revenue for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily related to a decrease in services performed under our manufacturing and research and development agreement with Duke University. We expect revenue to decrease over the next twelve months, although there may be fluctuations on a quarterly basis.

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 and (iv) product development expenses associated with our drug candidates as follows:

	Three Months Ended March 31		Increase/ (Decrease)	
	2020	2019	$	%
	(In thousands)			
Personnel	$ 5,616	$ 5,753	$ (137)	(2)%
Laboratory Supplies	1,460	796	664	83%
Facility	1,730	1,897	(167)	(9)%
Product Development	1,806	1,695	111	7%

Personnel expenses primarily include salary, benefits, stock-based compensation and payroll taxes. The $0.1 million decrease in personnel expenses for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily due to lower stock-based compensation expense. We expect personnel expenses to remain relatively consistent over the next twelve months, although there may be fluctuations on a quarterly basis.

Laboratory supplies expenses include laboratory materials and supplies, services, and other related expenses incurred in the development of our technology. The $0.7 million increase in laboratory supply expenses for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily due to higher laboratory materials and supplies purchases. We expect laboratory supplies 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 $0.2 million decrease in facility expenses for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily due to lower depreciation expense. We expect facility expenses to decrease over the next twelve months as a result of our decision to consolidate our Massachusetts lab and manufacturing facilities. The lease in Needham, MA will not be renewed and most functions and employees will be integrated into our Fall River, MA facility during the second quarter of 2020.

Product development expenses include clinical investigator site fees, external trial monitoring costs, data accumulation costs, contracted research and outside clinical drug product manufacturing. The $0.1 million increase in product development expenses for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily due to an increase in clinical trial expenses of $0.5 million, partially offset by a decrease in contract research expenses of $0.4 million. We expect product development expenses to remain relatively consistent over the next twelve months, although there may be fluctuations on a quarterly basis.

General and Administrative Expense

The $1.2 million decrease in general and administrative expenses for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily due to lower stock-based compensation expense and lower professional service expenses. We expect general and administrative expenses to remain relatively consistent over the next twelve months, although there may be fluctuations on a quarterly basis.

Other Asset Impairment

We concluded that the Company’s investment in an undisclosed private company was impaired as a result of a deterioration in the private company’s financial condition and recorded a non-cash impairment charge of $1.8 million during the first quarter of 2019.

Gain on Fair Value Remeasurement of Contingent Consideration

The $0.2 million loss on fair value remeasurement of contingent consideration for the three months ended March 31, 2020 was primarily due to the passage of time. The $1.5 million loss on fair value remeasurement of contingent consideration for the three months ended March 31, 2019 was primarily due to changes in discount rates and the passage of time.

Investment and Other Income, Net

The $0.5 million decrease in investment and other income, net for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily due to lower levels of cash and investment balances and lower other income related to our sale of New Jersey tax benefits. We anticipate investment income to decrease over the next twelve months due to lower levels of cash and investment balances.

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 and payments received for contract manufacturing and research and development services provided by us. The timing of any new contract manufacturing and research and development agreements, 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, 2020, our principal sources of liquidity consisted of cash, cash equivalents and marketable securities of $53.7 million. We have had recurring losses and incurred a loss of $12.6 million for the three months ended March 31, 2020. We believe that our existing cash, cash equivalents and marketable securities will enable us to fund our operating expenses and capital expenditure requirements into the second quarter of 2021. In accordance with U.S. GAAP, we have determined that there is substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. See Note 1 to the unaudited consolidated financial statements for further discussion of our liquidity and the conditions and events that raise substantial doubt regarding our ability to continue as a going concern.

During the next twelve months, we will take further steps to raise additional capital to meet our liquidity needs including, but may not be limited to, one or more of the following: the licensing of drug candidates 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. Although we have been successful in raising capital in the past, 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 financings 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. Our ability to continue funding our planned operations into and beyond twelve months from the issuance date is also dependent on the timing and manner of payment of future contingent milestones from the Kolltan acquisition, in the event that we achieve the drug candidate milestones related to those payments. We may decide to pay those milestone payments in cash, shares of our common stock or a combination thereof. If we are unable to raise the funds necessary to meet our liquidity needs, we may have to delay or discontinue the development of one or more programs, discontinue or delay ongoing or anticipated clinical trials, license out programs earlier than expected, raise funds at a significant discount or on other unfavorable terms, if at all, or sell all or a part of our business.

Operating Activities

Net cash used in operating activities was $12.1 million for the three months ended March 31, 2020 as compared to $13.2 million for the three months ended March 31, 2019. The decrease in net cash used in operating activities was primarily due to a decrease in general and administrative expenses and an increase in cash received related to product development and licensing agreements. We expect that cash used in operating activities will remain relatively consistent over the next twelve months, although there may be fluctuations on a quarterly basis.

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 provided by investing activities was $22.0 million for the three months ended March 31, 2020 as compared to $16.3 million for the three months ended March 31, 2019. The increase in net cash provided by investing activities was primarily due to net sales and maturities of marketable securities for the three months ended March 31, 2020 of $22.2 million as compared to $16.5 million for the three months ended March 31, 2019.

Financing Activities

Net cash provided by financing activities was $1.6 million for the three months ended March 31, 2020 as compared to $4.2 million for the three months ended March 31, 2019. Net proceeds from stock issuances pursuant to employee benefit plans were $0.0 million during the three months ended March 31, 2020 and March 31, 2019.

In March 2020, we filed a prospectus supplement for the amount of shares that we are eligible to sell pursuant to the Cantor Agreement.. Under the March 2020 prospectus supplement, we may offer and sell shares of common stock having an aggregate offering price of up to $18,000,000. During the three months ended March 31, 2020, we issued 0.7 million shares of common stock under our Cantor agreement resulting in net proceeds of $1.6 million after deducting commission and offering expenses. At March 31, 2020, we had $17.9 million remaining in aggregate gross offering price available under the March 2020 prospectus supplement. In April 2020, we issued 1.2 million shares of its common stock resulting in net proceeds to us of $2.9 million.

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, 2019 which was filed with the SEC on March 26, 2020 have not materially changed since we filed that report.

OFF-BALANCE SHEET ARRANGEMENTS

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules.

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 approximate fair value at March 31, 2020 due to the short-term maturities of these instruments.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

As of March 31, 2020, 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, 2020. 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 quarter ended March 31, 2020 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, 2019, 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 26, 2020.

Item 6. Exhibits

The exhibits filed as part of this quarterly report on Form 10-Q are listed in the exhibit index included herewith and are incorporated by reference herein.

EXHIBIT INDEX

Exhibit No.	Description
*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	XBRL Instance Document.
*101	XBRL Taxonomy Extension Schema Document.
*101	XBRL Taxonomy Extension Calculation Linkbase Document.
*101	XBRL Taxonomy Extension Definition Linkbase Document.
*101	XBRL Taxonomy Extension Label Linkbase Document.
*101	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.
** Furnished herewith.

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.

CELLDEX THERAPEUTICS, INC.

BY:

/s/ ANTHONY S. MARUCCI

Dated: May 6, 2020

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

/s/ SAM MARTIN

Dated: May 6, 2020

Sam Martin
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

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 6, 2020

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

Exhibit 31.2

CERTIFICATION

I, Sam Martin, 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 6, 2020

By: /s/ SAM MARTIN
Name: Sam Martin
Title: Senior Vice President and Chief Financial Officer

Exhibit 32.1

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 6, 2020

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

Date: May 6, 2020

By: /s/ SAM MARTIN
Name: Sam Martin
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.