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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark one)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2008

or

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

Commission File Number 0-15006

CELLDEX THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-3191702**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

119 Fourth Avenue, Needham, Massachusetts 02494
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(781) 433-0771**

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

Title of Class:	**Name of Each Exchange on Which Registered:**
Common Stock, par value $.001	NASDAQ Global Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

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 o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this Chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large accelerated filer o	Accelerated filer ☒	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller Reporting Company o

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates as of June 30, 2008 was $103,792,910 (excludes shares held by directors and executive officers). Exclusion of shares held by any person should not be construed to indicate that such person possesses the power, direct or indirect, to direct or cause the actions of the management or policies of the registrant, or that such person is controlled by or under common control with the registrant. The number of shares of common stock outstanding at February 20, 2009 was 15,820,593 shares.

CELLDEX THERAPEUTICS, INC.
ANNUAL REPORT ON FORM 10-K
YEAR ENDED DECEMBER 31, 2008
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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This report on Form 10-K contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "will," "can," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "seek," "estimate," "continue," "plan," "point to," "project," "predict," "could," "intend," "target," "potential" and other similar words and expressions of the future.

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

- our ability to raise sufficient capital on terms acceptable to us, or at all;
- our ability to adapt our APC Targeting Technology™ to develop new, safe and effective vaccines against oncology and infectious disease indications;
- our ability to adapt our vectoring systems to develop new, safe and effective orally administered vaccines against disease causing agents;
- our ability to successfully complete product research and further development, including animal, preclinical and clinical studies, and commercialization of CDX-110, CDX-1307, Ty800, CDX-1135 (formerly TP10), and other products and the growth of the markets for those product candidates;
- the cost, timing, scope and results of ongoing safety and efficacy trials of CDX-110, CDX-1307, Ty800, CDX-1135 (formerly TP10), and other preclinical and clinical testing;
- the ability to negotiate strategic partnerships or other disposition transactions for our non-core programs, including CETi;
- our ability to manage multiple clinical trials for a variety of product candidates at different stages of development;
- the strategies and business plans of our partners, such as Pfizer's plans for CDX-110, GlaxoSmithKline's plans with respect to Rotarix® and Vaccine Technologies' plans concerning the CholeraGarde® (Peru-15) and ETEC E. coli vaccines, which are not within our control, and our ability to maintain strong, mutually beneficial relationships with those partners;
- our ability to develop technological capabilities and expand our focus to broader markets for vaccines;
- the availability, cost, delivery and quality of clinical and commercial grade materials produced our own manufacturing facility or supplied by contract manufacturers and partners;
- the timing, cost and uncertainty of obtaining regulatory approvals for product candidates;
- our ability to develop and commercialize products before competitors that are superior to the alternatives developed by such competitors;

- the validity of our patents and our ability to avoid intellectual property litigation, which can be costly and divert management time and attention; and

- the factors listed under "Risk Factors" in this annual report on Form 10-K.

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.

PART I

Item 1. BUSINESS

A. General

As used herein, the terms "we," "us," "our," the "Company", or "Celldex" refer to Celldex Therapeutics, Inc., a Delaware corporation organized in 1983 (formerly known as AVANT Immunotherapeutics, Inc.) and its direct and indirect subsidiaries: Celldex Research Corporation ("Celldex Research"), Celldex Therapeutics, Ltd. ("Celldex Ltd.") and Megan Health, Inc. ("Megan"). The Company's principal activity since our inception has been research and product development conducted on our own behalf, as well as through joint development programs with several pharmaceutical companies and other collaborators. AVANT Immunotherapeutics, Inc. changed its name to Celldex Therapeutics, Inc. on October 1, 2008.

Celldex is an integrated biopharmaceutical company that applies its comprehensive Precision Targeted Immunotherapy Platform to generate a pipeline of candidates to treat cancer and other difficult-to-treat diseases. Celldex's immunotherapy platform includes a complementary portfolio of monoclonal antibodies, antibody-targeted vaccines and immunomodulators to create novel disease-specific drug candidates.

Our strategy is to develop and demonstrate proof-of-concept for our product candidates before leveraging their value through partnerships or, in appropriate situations, continuing late stage development through commercialization ourselves. Demonstrating proof-of-concept for a product candidate generally involves bringing it through Phase 1 clinical trials and one or more Phase 2 clinical trials so that we are able to demonstrate, based on human trials, good safety data for the product candidate and some data indicating its effectiveness. We thus leverage the value of our technology portfolio through corporate, governmental and non-governmental 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.

Our current collaborations encompass the commercialization of an oral human rotavirus vaccine and the development of oncology and infectious disease vaccines. Our product candidates address large market opportunities for which we believe current therapies are inadequate or non-existent.

Merger between AVANT and Celldex: On March 7, 2008, we closed the merger (the "Merger") contemplated by the Agreement and Plan of Merger dated October 19, 2007 by and among Celldex (formerly AVANT Immunotherapeutics, Inc.), Callisto Merger Corporation ("Merger Sub"), a wholly owned subsidiary of Celldex, and Celldex Research (formerly Celldex Therapeutics, Inc.) (the "Merger Agreement"). Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Celldex Research, with Celldex Research as the surviving company and a wholly-owned subsidiary of the Company. The total value of the transaction was approximately $75 million. Approximately 8.7 million shares were issued to the former Celldex Research shareholders in connection with the Merger. The Merger created a NASDAQ-listed, fully-integrated and diversified biopharmaceutical company with a deep pipeline of product candidates addressing high-value indications including oncology, infectious and inflammatory diseases. At the Merger, former Celldex and former AVANT shareholders owned 58% and 42% of the combined company on a fully diluted basis, respectively.

Our board of directors approved a 1-for-12 reverse stock split of the Company's common stock, which became effective on March 7, 2008. As a result of the reverse stock split, each twelve shares of common stock were combined and reclassified into one share of common stock and the total number of shares outstanding was reduced from approximately 180 million shares (including the shares issued to former Celldex Research stockholders in the Merger) to approximately 15 million shares.

The Merger was accounted for using the purchase method of accounting and was treated as an acquisition by Celldex Research of Celldex (then AVANT), with Celldex Research being considered the accounting acquirer based on the application of criteria specified in Statement of Financial Accounting Standards "SFAS" No. 141, *Business Combinations*, ("SFAS 141"), even though Celldex (then AVANT) was the issuer of common stock and the surviving legal entity in the transaction. Under the purchase method of accounting, the deemed purchase price was allocated to AVANT's underlying tangible and identifiable intangible assets acquired and liabilities assumed based upon their respective fair values with any excess deemed purchase price allocated to goodwill. The valuation analysis conducted by the Company determined that the fair value of assets acquired and the fair value of liabilities assumed by Celldex Research exceeded the purchase price for AVANT, resulting in negative goodwill of approximately $6.0 million. In accordance with SFAS 141, the negative goodwill has been allocated to all of the acquired assets which were non-financial and non-current assets, including property and equipment, identifiable intangible assets, and in-process research and development. See Note 17 to the Company's consolidated financial statements for additional information.

Because Celldex Research was determined to be the acquirer for accounting purposes, the historical financial statements of Celldex Research became the historical financial statements of the Company. Accordingly, the financial statements of the Company prior to the Merger reflect the financial position, results of operations and cash flows of Celldex Research, which, during the historical periods presented in the accompanying consolidated financial statements, was majority-owned by Medarex, Inc. ("Medarex"). Following the Merger, the financial statements of the current period reflect the financial position, results of operation and cash flows of the Company. The results of operations of AVANT are included in the results of operations of the Company beginning March 8, 2008. Accordingly, except as otherwise discussed below, this report reflects the financial condition, results of operations and liquidity of the combined companies at December 31, 2008 and historically of Celldex Research on a stand-alone basis for all periods prior to March 8, 2008. The financial condition, results of operations and liquidity of the Company as of the years ended December 31, 2008, 2007 and 2006 may not be indicative of the Company's future performance or reflect what the Company's financial conditions, results of operations and liquidity would have been had the Merger been consummated as of January 1, 2006 or had the Company operated as a separate, stand-alone entity during the periods presented.

Celldex's web site is located at *http://www.celldextherapeutics.com*. On Celldex's web site, investors can obtain a copy of Celldex's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934, as amended, as soon as reasonably practicable after Celldex files such material electronically with, or furnishes it to, the Securities and Exchange Commission. None of the information posted on our website is incorporated by reference into this Annual Report.

Research and Development Activities: Our products are derived from a broad set of complementary technologies (collectively known as our Precision Targeted Immunotherapy Platform) which have the ability to utilize the human immune system and enable the creation of preventative and therapeutic agents. We are using our Precision Targeted Immunotherapy Platform to develop vaccines, therapeutic antibodies and other targeted immunotherapeutics that prevent or treat cancer, autoimmune disorders and disease caused by infectious organisms, and treatment vaccines that modify undesirable activity by the body's own proteins or cells. A number of our immunotherapeutic and vaccine product candidates are in various stages of clinical trials. We expect that a large percentage of

our research and development expenses will be incurred in support of our current and future clinical trial programs. Below is a table of our currently active programs:

CURRENT PROGRAMS AND PARTNERSHIPS

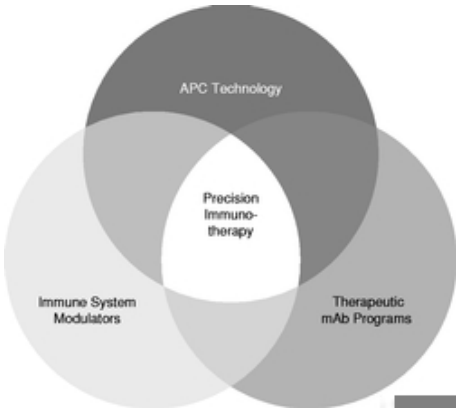
Technology	Product	Indication/Field	Partner	Status
ONCOLOGY	CDX-110	Glioblastoma multiforme	Pfizer	Phase 2
	CDX-1307	Colorectal, bladder, pancreas, ovarian and breast tumors	—	Phase 1
	CDX-1401	Multiple Solid Tumors	—	Pre-clinical
	CDX-1127	Immuno-modulation, multiple tumors	—	Pre-clinical
INFLAMMATORY DISEASE	CDX-1135	Transplantation	—	Phase 1/2
	(formerly TP10)	Renal disease	—	Pre-clinical
	CDX-1189	Renal disease	—	Pre-clinical
INFECTIOUS DISEASE	CholeraGarde®	Cholera	Vaccine Technologies/IVI	Phase 2b
	Ty800	Typhoid fever	NIH	Phase 2
	ETEC	Enterotoxigenic *E coli* infection	Vaccine Technologies/NIH	Phase 1
	CDX-2401	HIV infection	Rockefeller University	Pre-clinical
MARKETED PRODUCTS	Rotarix®	Rotavirus infection	GlaxoSmithKline	Marketed

We currently have one product on the market and six products in clinical development. Our goal is to become a leading developer of innovative products that we call Precision Targeted Immunotherapeutics which are designed to address major unmet health care needs. Our success has depended and will continue to depend upon many factors, including our ability, and that of our licensees and collaborators, to successfully develop, obtain regulatory approval for and commercialize our product candidates. To date, commercial sales have only been generated from Rotarix® and our former Megan poultry vaccines. We have had no commercial revenues from sales of our human therapeutic or other human vaccine products and we have had a history of operating losses. It is possible that we may not be able to successfully develop, obtain regulatory approval for or commercialize our product candidates, and we are subject to a number of risks that you should be aware of before investing in Celldex. These risks are described more fully in "Item 1A. Risk Factors."

Using our expertise in immunology, we are building business franchises in major disease areas: oncology, inflammatory and infectious diseases. Each of our business franchises addresses large market opportunities for which current therapies are inadequate or non-existent. We have pursued some of these opportunities independently in a highly focused manner. In other cases, we have leveraged the financial support and development capabilities of corporate and public sector partners to bring our development projects to fruition. The research we have pursued over the past several years has matured into what we believe is an exciting portfolio of product candidates.

B. Development Strategy

Precision Targeted Immunotherapy Platform:



We believe there is tremendous untapped potential in immunotherapy that can be exploited through the right combination of therapeutic agents. Our industry has traditionally taken biologics that mediate effective cancer regression in mice and expected similar results in humans. There are many explanations why this strategy often does not succeed, but the most important is that immunotherapy has difficulties when following standard drug development. The mechanism of action is complex, activity is generally not dependent on highest tolerated dose, and patient response is highly variable. Our new understanding of the immune system, cancer's effect on immune mediated mechanisms, and the impact of conventional therapies on the immune system provides a new rationale for combining therapies that may lead to significant clinical responses. The concept of Precision Targeted Immunotherapy is to exploit this knowledge and the availability of good products that may not be sufficiently effective to be commercialized as a monotherapy, but which we believe may be very effective in combination approaches. Our goal is to develop products that maximize the efficacy of immunotherapy regimens through combinations of therapeutic agents. This includes:

The APC technology: This is a new class of vaccines based on our proprietary antibody-targeted vaccine technology that is used to generate an immune response against cancer or other diseases.

Our APC Targeting Technology™ uses human monoclonal antibodies, or mAbs, linked to disease associated antigens to efficiently deliver the attached antigens to immune cells known as antigen presenting cells, or APCs. This technology has been designed to allow us to take advantage of many important characteristics of human monoclonal antibodies, including their long circulating half-life, well known safety profile, and standardized manufacturing procedures. We believe that our APC Targeting Technology™ provides significant manufacturing, regulatory and other practical advantages over patient specific and other immune-based treatments and can substantially reduce the dosage and cost currently required in conventional immunotherapies. Preclinical studies have demonstrated that APC Targeting Technology™ is more effective than conventional non-targeted vaccines. We have developed several proprietary monoclonal antibodies that can independently be developed to generate new product opportunities. We have initiated clinical development with the first APC technology product, called CDX-1307. In addition, CDX-1401 is completing its preclinical development and is expected to begin clinical testing in Phase 1/2 trials during 2009.

Therapeutic Antibody Programs: These programs are based on the well validated approach to using antibodies that target to cancer and other diseases directly or through interfering with critical interactions between the patient and the disease. Celldex is in preclinical development for therapeutic human antibodies to molecules important in inflammation and cancer. In addition, Celldex has access through a Research and Commercialization Agreement with Medarex to the UltiMAb® Technology for

generating fully human monoclonal antibodies. Under this agreement, Celldex can exercise up to ten separate licenses to develop and commercialize therapeutic antibody products, either alone or through collaboration with Celldex licensing partners.

Immune System Modulators: Immune system modulators include drugs that activate or suppress specific parts of the immune system, including such molecules as Toll-Like Receptor (TLR) agonists that can activate patients' innate and adaptive immunity, and a complement inhibitor that suppresses inflammatory reactions. These agents further support our Precision Targeted Immunotherapy Platform.

Celldex's strategy is to utilize our expertise to design and develop targeted immunotherapeutics that have significant and growing market potential; to establish governmental and corporate alliances to fund development; and to commercialize our products either through corporate partners or, in appropriate circumstances, through our own direct selling efforts. Our goal is to demonstrate clinical proof-of-concept for each product, and then seek partners to help see those products which we cannot develop ourselves through to commercialization. This approach allows us to maximize the overall value of our technology and product portfolios while best ensuring the expeditious development of each individual product. Implementation of this strategy is exemplified by our lead programs which are discussed in the following sections.

Factors that may significantly harm our commercial success, and ultimately the market price of our common stock, include but are not limited to, announcements of technological innovations or new commercial products by our competitors, disclosure of unsuccessful results of clinical testing or regulatory proceedings and governmental approvals, adverse developments in patent or other proprietary rights, public concern about the safety of products developed by Celldex and general economic and market conditions. See "Item 1A. Risk Factors."

C. Cancer Vaccine Development Programs

CDX-110: Our lead clinical development program, CDX-110, is a peptide-based immunotherapy that targets the tumor specific molecule called EGFRvIII, a functional variant of the naturally expressed epidermal growth factor receptor ("EGFR"), a protein which has been well validated as a target for cancer therapy. Unlike EGFR, EGFRvIII is not present in normal tissues, and has been shown to be a transforming oncogene that can directly contribute to the cancer cell growth.

EGFRvIII is commonly present in glioblastoma multiforme, or GBM, the most common and aggressive form of brain cancer, and has also been observed in various other cancers such as breast, ovarian, prostate, colorectal, and head & neck cancer. Our partner, Pfizer Inc. ("Pfizer"), and we are currently pursuing the development of CDX-110 for GBM therapy and plan to expand the clinical development into other cancers through additional clinical studies.

Initial clinical development of EGFRvIII immunotherapy was led by collaborating investigators at the Brain Center at Duke Comprehensive Cancer Center in Durham, North Carolina and at M.D. Anderson Cancer Center in Houston, Texas. The results from the Phase 1 (VICTORI) and Phase 2a (ACTIVATE) studies, which enrolled 16 and 21 patients, respectively, have demonstrated a significant increase in the time to disease progression (greater than 113%) in the patients who were vaccinated, and also in overall survival rates (greater than 100%), both relative to appropriately matched historical controls. An extension of the Phase 2a program (ACT II) at the same two institutions has enrolled 23 additional GBM patients treated in combination with temozolomide (the current standard of care). Preliminary results from this study (ACT II) currently estimates median overall survival to be 33.1 months, although the median has not yet been reached. The survival of a matched historical control group was 14.3 months and a subgroup treated with temozolomide (TMZ) of 15.2 months, with a p value = 0.0078. Overall time to progression for CDX-110 was 16.6 months compared with 6.4 months for the historical control group.

In May 2007, we initiated a Phase 2b/3 randomized study (ACT III) of CDX-110 combined with standard of care, temozolomide, versus standard of care alone in patients with GBM. We have opened a total of over 30 sites in the United States for the study. The FDA has granted orphan drug designation for CDX-110 for the treatment of EGFRvIII expressing GBM as well as fast track designation.

In December 2008, we announced an amendment to convert the ACT III study to a single-arm Phase 2 clinical trial in which all patients will receive CDX-110 in combination with temozolomide and we will continue to enroll to approximately 60 patients. The decision, which follows the recommendation of the Independent Data Monitoring Committee, was based on the observation that the majority of patients randomized to the control (standard of care) arm withdrew from this open-label study after being randomized to the control arm. Patients currently participating on the control arm of the study will be offered the option to receive treatment with CDX-110. Under this amendment, the ACT III study will provide a multi-center, non-randomized dataset for CDX-110 in patients with newly diagnosed GBM. These data will provide important additional information that can be used to better design the future development of CDX-110.

On April 16, 2008, the Company and Pfizer entered into a License and Development Agreement (the "Pfizer Agreement") under which Pfizer was granted an exclusive worldwide license to a therapeutic cancer vaccine candidate, CDX-110, in Phase 2 development for the treatment of glioblastoma multiforme. The Pfizer Agreement also gives Pfizer exclusive rights to the use of EGFRvIII vaccines in other potential indications. Under the Pfizer Agreement, Pfizer made an upfront payment to the Company of $40 million and made a $10 million equity investment in the Company. Pfizer will fund all development costs for these programs. The Company is also eligible to receive potential milestone payments exceeding $390 million for the successful development and commercialization of CDX-110 and additional EGFRvIII vaccine products, as well as royalties on any product sales. The Pfizer Agreement became effective after clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) on May 19, 2008.

CDX-1307: The Company's lead APC Targeting Technology™ product candidate, CDX-1307, is in development for the treatment of epithelial tumors such as colorectal, pancreatic, bladder, ovarian and breast cancers. CDX-1307 targets the beta chain of human chorionic gonadotropin, known as hCG-Beta, which is an antigen often found in epithelial tumors. The presence of hCG-Beta in these cancers correlates with a poor clinical outcome, suggesting that this molecule may contribute to tumor growth. Normal adult tissues have minimal expression of hCG-Beta; therefore, targeted immune responses are not expected to generate significant side effects.

Celldex is completing two Phase 1 studies of CDX-1307 at multiple centers that are designed to explore safety and dose/effect relationships via two administration routes—intradermal (ID), a traditional vaccine route that allows efficient access to local dermal dendritic cells and intravenous (IV), a novel systemic approach to vaccination that might target a much larger population of dendritic cells. In both studies, there are dose escalations of CDX-1307 alone and CDX-1307 with the adjuvant GM-CSF (known to increase mannose receptor expression on dendritic cells). At the highest dose levels, additional immune system modulators (Toll-Like Receptor Agonists, or TLR agonists) have been added to determine what effect they have in augmenting an immune response. Patients with an assortment of different tumor types that are known to express hCG-Beta are being accrued with retrospective analysis for hCG-Beta expression. A four dose regimen is utilized with the possibility of retreatment if patients demonstrate tumor regression or stable disease.

Over Fifty (50) patients with epithelial cancers have been treated in the Phase 1 clinical trials and more than half have evidence of hCG-Beta expression by their tumor. The immunotherapy has been well tolerated with only minor adverse events observed (reddening at the injection site). Analysis of the initial cohorts with GM-CSF have revealed that several patients developed good humoral responses to

hCG-Beta, and some have demonstrated enhancement of circulating hCG-Beta-specific CD8 T cells. Thus, we are encouraged that CDX-1307 is providing similar results as predicted in the pre-clinical studies. In addition, one patient with pancreatic cancer had a 26% overall reduction in tumor burden and two breast cancer patients were stable for six months during treatment. The investigators at the Duke Comprehensive Cancer Center were awarded a two year $500,000 grant from the Avon Foundation and the National Cancer Institute to support Phase 1 work in breast cancer. The safety of CDX-1307 in combination with defined immune system modulators is now being evaluated with intent to enter Phase 2 clinical research in the second half of 2009.

CDX-1401: CDX-1401 is a fusion protein consisting of a fully human monoclonal antibody with specificity for the dendritic cell receptor, DEC-205, linked to the NY-ESO-1 tumor antigen. In humans, NY-ESO-1 is one of the most immunogenic tumor antigens and has been detected in 20 - 30% of cancers, thus representing a broad opportunity. This product is intended to selectively deliver the NY-ESO-1 antigen to APCs for generating robust immune responses against cancer cells expressing NY-ESO-1. Unlike CDX-1307, which targets the mannose receptor expressing dendritic cells, CDX-1401 is the first APC product targeting DEC-205 expressing dendritic cells. We are developing CDX-1401 for the treatment of malignant melanoma and a variety of solid tumors which express the proprietary cancer antigen NY-ESO-1, which the Company licensed from the Ludwig Institute for Cancer Research in 2006. The Company believes that preclinical studies have shown that CDX-1401 is effective for activation of human T-cell responses against NY-ESO-1. The IND filing is planned for the first half of 2009. We expect to be able to enter a Phase 1 study with a combination regimen, including TLRs, and will accrue multiple tumors that express NY-ESO-1.

CDX-1127: Celldex has entered into a License Agreement with the University of Southampton, UK, to develop human antibodies to CD27, a potentially important target for immunotherapy of various cancers. In pre-clinical models, antibodies to CD27 alone have been shown to mediate anti-tumor effects, and may be particularly effective in combination with other immunotherapies. CD27 is a critical molecule in the activation pathway of lymphocytes. It is downstream from CD40, and may provide a novel way to regulate the immune responses. Engaging CD27 with the appropriate monoclonal antibody has proven highly effective at promoting anti-cancer immunity in mouse models. We are currently evaluating new human monoclonal antibodies in pre-clinical models.

D. Inflammatory Disease Development Programs

CDX-1135 (formerly TP10): We have been developing immunotherapeutics that inhibit a part of the immune system called the complement system. The complement system is a series of proteins that are important initiators of the body's acute inflammatory response against disease, infection and injury. Excessive complement activation also plays a role in some persistent inflammatory conditions. Our lead compound, CDX-1135, a soluble form of naturally occurring Complement Receptor 1, has effectively shown to inhibit the activation of the complement cascade in animal models and in human clinical trials. We believe that regulating the complement system could have therapeutic and prophylactic applications in several acute and chronic conditions, including organ transplantation, multiple sclerosis, rheumatoid arthritis, age-related macular degeneration ("AMD"), atypical Hemolytic Uremic Syndrome and myasthenia gravis. We are currently defining the most appropriate clinical development path for CDX-1135 and are focusing on rare disease conditions of unregulated complement activation as potentially the fastest route to FDA approval.

CDX-1189: Celldex is developing therapeutic human antibodies to a signaling molecule known as CD89 or Fca receptor type I (FcaRI). CD89 is expressed by some white blood cells and leukemic cell lines, and has been shown to be important in controlling inflammation and tumor growth in animal models. Celldex has proprietary, fully human antibodies to CD89 in preclinical development. Depending upon the specific antibody used, anti-CD89 antibodies can either be activating and thus stimulate immune responses, or down-regulating and act as an anti-inflammatory agent.

E. Infectious Disease Development Programs

CholeraGarde® Vaccine: CholeraGarde® is designed to be a safe, effective single-dose, oral cholera vaccine. Our partner, the International Vaccine Institute ("IVI"), has received $21 million in funding from the Bill & Melinda Gates Foundation for a Cholera Vaccine Initiative ("CHOVI"), which includes conducting further clinical trials of CholeraGarde®. The IVI is presently conducting a Phase 2 clinical trial of CholeraGarde in Bangladesh, with plans to sponsor additional Phase 2 studies in India and Thailand beginning in the first half of 2009, followed by Phase 3 field studies.

ETEC Vaccine: In November 2007, we entered into an agreement with the Division of Microbiology and Infectious Diseases of the NIAID, whereby NIAID is sponsoring a Phase 1 study of Celldex's investigational single-dose, oral vaccine designed to offer combined protection against both enterotoxigenic *Escherichia coli* (ETEC) and cholera. In June 2008, NIAID initiated the Phase 1 trial of the ETEC vaccine candidate at Cincinnati Children's Hospital Medical Center.

In January 2009, we entered into an Exclusive License and Development Agreement with Vaccine Technologies, Inc. ("VTI"). Under the license agreement, Celldex has granted a worldwide fee- and royalty-bearing exclusive license to VTI to development and commercialize Celldex's CholeraGarde® and ETEC vaccine programs. Financial terms of the agreement with VTI include an upfront license fee, milestone payments and royalties on net sales of licensed products during the term of the agreement.

Ty800 Typhoid Fever Vaccine: The Company has developed an oral vaccine to offer rapid, single-dose protection against *Salmonella typhi*, the cause of typhoid fever. Ty800 is targeted for both the travelers' market and global health needs. In 2006, the National Institute of Allergy and Infectious Disease ("NIAID") of the National Institutes of Health ("NIH") initiated a Phase 1/2 in-patient dose-ranging clinical trial aimed at demonstrating the safety and immunogenicity of the Ty800 typhoid fever vaccine. NIAID funded the production of Ty800 vaccine for clinical testing and completed the Phase 1/2 trial at a NIH-funded clinical site in 2007. Results showed the single-dose, oral vaccine to be well tolerated and immunogenic, with over 90% of vaccinated subjects generating immune responses. We initiated our own sponsored Phase 2 trial of Ty800 in July 2007. Preliminary results reported in April 2008 from the study showed that the single-dose, oral vaccine was well tolerated and immunogenic, demonstrating that the desired immune response was achieved. Incidence of reactogenicity symptoms and adverse events post-vaccination were similar to placebo. Importantly, immunogenic response was dose-dependent. Positive immune response or seroconversion (prospectively defined as a 4-fold increase in anti-LPS titers over pre-dose level) rates were 65.5% ($^{36}/_{55}$) and 80% ($^{44}/_{55}$) in the low and high dose groups, respectively, and was significantly ($p<0.001$) higher than placebo.

CDX-2401: The Company is also using its APC Targeting Technology™ to develop vaccines against infectious disease. The lead program is CDX-2401, an APC-Targeting prophylactic vaccine, aimed at providing protection from infection with HIV, the virus known to cause AIDS. This program is in a Bill & Melinda Gates Foundation funded partnership with collaborators at Rockefeller University in New York City, who have shown in model systems that protective immunity can be induced with such a vaccine. Preclinical studies and manufacturing development are in progress and the Company, with its collaborators, plans to file an IND for Phase 1 clinical studies in the first half of 2009.

F. Marketed Products

Rotavirus Vaccine: Rotavirus is a major cause of diarrhea and vomiting in infants and children. In 1997, we licensed our oral rotavirus strain to GlaxoSmithKline ("Glaxo"). All of the ongoing development for this program is being conducted and funded by Glaxo. Glaxo gained approval for its

rotavirus vaccine, Rotarix®, in Mexico in July 2004, which represented the first in a series of worldwide approvals and commercial launches for the product. Glaxo subsequently launched Rotarix® in additional Latin American and Asian Pacific countries during 2005 - 2007. Additionally, Glaxo filed for market approval with the European regulatory authorities in late 2004, which triggered a $2 million milestone payment to the Company. In February 2006, the European Commission granted approval of Rotarix® in the European Union, which triggered a $4 million milestone payment from Glaxo. On April 3, 2008, Rotarix® received approval from the FDA for the prevention of rotavirus gastroenteritis in infants. FDA approval triggered a $1.5 million milestone payment from Glaxo, of which $750,000 was retained by the Company. We licensed-in the rotavirus strain in 1995 and owe a license fee of 30% to Cincinnati Children's Hospital Medical Center ("CCH") on net royalties received from Glaxo. In May 2005, the Company entered into an agreement whereby an affiliate of Paul Royalty Fund ("PRF") purchased an interest in the net royalties the Company will receive on worldwide sales of Rotarix® (see Note 10 of our consolidated financial statements). The market launch of Rotarix® by Glaxo in the U.S. market during the quarter ended September 30, 2008 resulted in a $10 million milestone payment to the Company from PRF, which the Company received on October 1, 2008. We have received a total of $60 million in milestone payments under the PRF agreement. No additional milestone payments are due from PRF under the agreement.

In September 2006, we received notice from Glaxo that Glaxo would begin paying royalties on sales of Rotarix® vaccine at the lower of two royalty rates under their 1997 license agreement. Glaxo's decision to pay the lower royalty rate (which is 70% of the full rate) is based upon Glaxo's assertion that Rotarix® is not covered by the patents Glaxo licensed from the Company in Australia and certain European countries. If Glaxo's position stands, the royalties to which PRF is entitled will no longer be limited by a $27.5 million annual threshold, which the Company projected may have been reached in later years as sales of Rotarix® increased. Irrespective of Glaxo's position, we will still retain approximately 65% of the royalties on worldwide sales of Rotarix® once PRF receives 2.45 times the aggregate cash payments of $60 million it made to the Company, though the potential amount of such residual royalties will be lower if Glaxo's position stands.

Megan®Vac 1 and Megan®Egg Vaccines: On December 1, 2000, the Company acquired all of the outstanding capital stock of Megan. Megan has commercialized three veterinary vaccines; Argus™ SC, licensed by the United States Department of Agriculture ("USDA") in March 1998 and marketed by Intervet, Inc., and Megan®Vac 1 and Megan®Egg, licensed by the USDA in November 1998 and 2003, respectively, and marketed by Lohmann Animal Health International ("LAHI"). In January 2009, we sold the poultry vaccines business, consisting of Megan®Vac 1 and Megan®Egg, to LAHI for an upfront fee and potential milestone payments.

G. Product Development and Licensing Agreements

1. *GlaxoSmithKline plc and Paul Royalty Fund II, L.P.*

In 1997, the Company entered into an agreement with Glaxo to collaborate on the development and commercialization of our oral rotavirus strain and Glaxo assumed responsibility for all subsequent clinical trials and all other development activities. We licensed-in the rotavirus strain that was used to develop Glaxo's Rotarix® rotavirus vaccine in 1995 and owe a license fee of 30% to CCH on net royalties received from Glaxo. We are obligated to maintain a license with CCH with respect to the Glaxo agreement. All licensing fees are included in research and development expense. The term of the Glaxo agreement is through the expiration of the last of the relevant patents covered by the agreement, although Glaxo may terminate the agreement upon 90 days prior written notice.

In May 2005, the Company entered into an agreement whereby an affiliate of PRF purchased an interest in the net royalties the Company will receive on worldwide sales of Rotarix®. Under the PRF agreement, the Company will retain 50% of future Glaxo milestone payments beginning on the effective date of the agreement with PRF, with 70% of the remaining balance payable to PRF and 30% of the remaining balance payable to CCH, respectively. The Company's retained interests in Rotarix® net royalties which were not sold to PRF are recorded as product royalty revenue and a corresponding amount that is payable to CCH is recorded as royalty expense, which is included in research and development expense.

On April 3, 2008, Rotarix® received FDA market approval for the prevention of rotavirus gastroenteritis in infants, which triggered a $1.5 million milestone payment to the Company from Glaxo, $750,000 of which the Company retained under its agreement with PRF. In connection with the Company's purchase accounting for the Merger, the present value of the Company's retained amount, or $742,300, had been recorded as a current asset as of March 31, 2008. During the quarter ended June 30, 2008, the Company also recorded $225,000 in revenue and an offsetting amount in royalty expense for the payable due to CCH for its portion of the Glaxo milestone. The market launch of Rotarix® by Glaxo in the U.S. market during the quarter ended September 30, 2008 resulted in a $10 million milestone payment to the Company from PRF, which the Company received on October 1, 2008. As of March 31, 2008, the Company had recorded the expected present value of the $10 million milestone payment due from PRF of $9,053,200, the purchase accounting value assigned to the PRF milestone payment at the time of the Merger. During the quarter ended September 30, 2008, the Company recognized the balance of $946,800 as other income in the consolidated statement of operations. We have received $60 million in total milestone payments under the PRF agreement. No additional milestone payments are due from PRF under the agreement.

Royalty rates on Rotarix® escalate from 7% to 10% based on net product sales in countries that have valid patent protection. These royalty rates are discounted by 30% for "non-patent" countries (primarily international markets). In September 2006, the Company received notice from Glaxo that Glaxo would begin paying royalties on sales of Rotarix® vaccine at the lower of the two royalty rates under their 1997 license agreement. Glaxo's decision to pay the lower royalty rate (which is 70% of the full rate) is based upon Glaxo's assertion that Rotarix® is not covered by the patents Glaxo licensed from the Company in Australia and certain European countries. If Glaxo's position stands, the royalties to which PRF is entitled will no longer be limited by a $27.5 million annual threshold, which the Company projected may have been reached in later years as sales of Rotarix® increased. Irrespective of Glaxo's position, the Company will still retain approximately 65% of the royalties on worldwide sales of Rotarix® once PRF receives 2.45 times the aggregate cash payments of $60 million it made to Celldex, though the potential amount of such residual royalties will be lower if Glaxo's position stands.

2. *GlaxoSmithKline plc and Corixa Corporation ("Corixa")*

On December 21, 2005, Corixa, a wholly-owned subsidiary of Glaxo, and Celldex Ltd. (formerly Lorantis Limited), entered into a termination agreement of their collaboration of CDX-2101, or HepVax, for the development of a therapeutic vaccine for Hepatitis B (the "Termination Agreement"). Under the terms of the Termination Agreement, Glaxo paid the Company the sum of approximately $1,632,000. In addition, and subject to the terms and conditions of the Termination Agreement, Glaxo granted to the Company a worldwide, fully paid up, royalty-free, perpetual, nonexclusive license under the Corixa Patent Rights, Corixa Know-How Rights and Corixa Licensed Technology (each as defined in the Termination Agreement): (a) to use RC-529SE in products being developed and/or commercialized by Celldex Ltd or its Permitted Sublicensees in the Lorantis Field; and (b) to make or have made RC-529SE using RC-529 adjuvant for the limited use permitted by the license granted to reformulate Corixa's proprietary adjuvant.

3. *Pfizer Inc.*

Pfizer License and Development Agreement: On April 16, 2008, the Company and Pfizer entered into a License and Development Agreement (the "Pfizer Agreement") under which Pfizer was granted an exclusive worldwide license to a therapeutic cancer vaccine candidate, CDX-110, in Phase 2 development for the treatment of glioblastoma multiforme. The Pfizer Agreement also gives Pfizer exclusive rights to the use of EGFRvIII vaccines in other potential indications. Under the Pfizer Agreement, Pfizer made an upfront payment to the Company of $40 million and made a $10 million equity investment in the Company. Pfizer will fund all development costs for these programs. The Company is also eligible to receive potential milestone payments exceeding $390 million for the successful development and commercialization of CDX-110 and additional EGFRvIII vaccine products, as well as royalties on any product sales. The Pfizer Agreement became effective after clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) on May 19, 2008.

On May 27, 2008, the Company received $10 million from Pfizer in exchange for 781,250 shares of the Company's common stock having a fair value of $10,867,188, or $13.91 per share, on that date. The $867,188 over the amount received from Pfizer was recorded as a reduction to deferred revenue of the $40 million upfront payment received from Pfizer on June 18, 2008.

The Company has applied the provisions of Emerging Issues Task Force (EITF) Issue No. 00-21 ("EITF 00-21"), *Accounting for Revenue Arrangements with Multiple Deliverables*, and determined that its performance obligations under this collaboration should be accounted for as a single unit of accounting. The Company's deliverables under this collaboration primarily include an exclusive license to its CDX-110 product candidate and its EGFRvIII technologies, research and development services as required under the collaboration and participation in the joint clinical development committee. The Company has estimated that its performance period under the collaboration will be 9.5 years based on an assessment of the period over which the Company will have met its performance obligations under the collaboration. Revenue, including research and development reimbursements, is being recognized on a straight-line basis over this period using the Contingency Adjusted Performance Model ("CAPM"). The $40,000,000 up-front payment was recorded as deferred revenue and this amount, less the $867,188 in excess fair value for the Company's common stock discussed above, is being amortized over the 9.5-year performance period at a rate of $1,029,810 per quarter.

The agreement also provides for reimbursement by Pfizer of all costs incurred by the Company in connection with the collaboration since the effective date. The Company invoices Pfizer monthly for its reimbursable costs and records the invoiced amount as deferred revenue. These deferred revenue amounts are amortized to revenue over the expected 9.5-year performance period on a straight-line basis using the CAPM model.

In connection with the initial deliverables under the Pfizer Agreement as discussed further in Note 11, the Company has paid a sublicense fee of $2,365,174 to each of two research universities, Duke University ("Duke") and Thomas Jefferson University ("TJU"), and paid TJU an additional license fee of $500,000. In October 2008, the Company paid an additional sublicense fee to TJU of $1,634,826. These payments were recorded as deferred costs in the "Other Assets" line item in the consolidated balance sheet and are being amortized over the 9.5-year performance period at a rate of $180,663 per quarter.

Pfizer Animal Health Agreement: The Company entered into a licensing agreement in December 2000 with Pfizer's Animal Health Division whereby Pfizer has licensed Megan's technology for the development of animal health and food safety vaccines. Under the agreement, the Company may receive additional milestone payments of up to $3 million based upon attainment of specified milestones. The Company may receive royalty payments on eventual product sales. The term of this agreement is through the expiration of the last of the patents covered by the agreement. The Company has no obligation to incur any research and development costs in connection with this agreement.

As of June 1, 2006, the Company entered into a Collaborative Research and Development Agreement with Pfizer aimed at the discovery and development of vaccines to protect animals. In 2007, further funded work at the Company on the joint research program was terminated by Pfizer after the Company provided two of four deliverables to Pfizer.

4. ***Rockefeller University ("Rockefeller")***

The Company is developing a vaccine, CDX-2401, aimed at providing protection from infection with HIV, the virus known to cause AIDS. This program is in a Bill & Melinda Gates Foundation funded partnership with collaborators at Rockefeller and the Aaron Diamond AIDS Research Center, who have shown in model systems that protective immunity can be induced with such a vaccine. Preclinical studies and manufacturing development are in progress and payments to the Company are made on a time and materials basis.

5. ***Vaccine Technologies, Inc. ("VTI")***

In January 2009, we entered into an Exclusive License and Development Agreement with VTI. Under the license agreement, Celldex has granted a worldwide fee- and royalty-bearing exclusive license to VTI to development and commercialize Celldex's CholeraGarde® and ETEC vaccine programs. Financial terms of the agreement with VTI include an upfront license fee, milestone payments and royalties on net sales of licensed products during the term of the agreement.

We depend on our collaborative relationships and may enter into more of them in the future. Some of the above referenced agreements give our collaborator substantial responsibility to commercialize a product and to make decisions about the amount and timing of resources that are devoted to developing and commercializing a product. As a result, we do not have complete control over how resources are used toward some of our products.

In addition, some of these agreements relate to products in the early stages of research and development. Others require Celldex and our collaborator to jointly decide on the feasibility of developing a particular product using our technologies. In either case, these agreements may terminate without benefit to us if the underlying products are not fully developed. If we fail to meet our obligations under these agreements, they could terminate and we might need to enter into relationships with other collaborators and to spend additional time, money, and other valuable resources in the process.

Moreover, we cannot predict whether our collaborators will continue their development efforts or, if they do, whether their efforts will achieve success. Many of our collaborators face the same kinds of risks and uncertainties in their business that we face. A delay or setback to a collaborator will, at a minimum, delay the commercialization of any affected products, and may ultimately prevent it. Moreover, any collaborator could breach its agreement with us or otherwise not use best efforts to promote our products. A collaborator may choose to pursue alternative technologies or products that compete with our technologies or products. In either case, if a collaborator failed to successfully develop one of our products, we would need to find another collaborator. Our ability to do so would depend upon our legal right to do so at the time and whether the product remained commercially viable.

H. ***Research Collaboration and Licensing Agreements***

Celldex has entered into licensing agreements with several universities and research organizations. Under the terms of these agreements, we have received licenses or options to license technology, specified patents or patent applications.

1. ***Medarex, Inc.***

The Company and Medarex have entered into an Assignment and License Agreement that provides for the assignment of certain patent and other intellectual property rights and a license to certain Medarex technology and a Research and Commercialization Agreement which provides the Company with certain rights to obtain exclusive commercial licenses to proprietary monoclonal antibodies raised against certain antigens. Under these agreements with Medarex, Celldex may be obligated to pay license fees, milestone payments and royalties relating to the development and regulatory approval of certain of its technologies.

Under the terms of the Research and Commercialization Agreement with Medarex, Celldex will be required to pay Medarex license fees to obtain commercial licenses for antibodies arising from research licenses granted by Medarex. Celldex will also be required to pay Medarex milestone payments with respect to the development of any products containing such licensed antibodies. These fees and milestones may total up to $7 to $10 million per licensed antibody if a product containing such licensed antibody receives approval from the FDA and/or equivalent foreign agencies. None of Celldex's product candidates currently under development trigger such milestone payments. In general, potential milestone payments for Celldex's antibody product candidates may or may not be triggered and may vary in size depending on a number of variables, almost all of which are currently uncertain. Typically, the events that trigger these payments per product candidate include:

- submission of investigational new drug application(s) or foreign equivalents;
- commencement of Phase 1, Phase 2 and/or Phase 3 clinical trials or foreign equivalents;
- submission of biologic license application(s) or foreign equivalents; and
- receipt of marketing approval(s) to sell products in a particular country or region.

In addition, Celldex will be required to pay royalties on any sales of products containing licensed antibodies. The royalties will be payable on a country-by-country and product-by-product basis until the date which is the later of: (i) the expiration of the last-to-expire of the Medarex patents covering the product in such country or (ii) the tenth anniversary of the first commercial sale of a product in such country. Celldex will also be responsible for the payment of any royalties, license fees and milestone and other payments due to third parties if Celldex licenses any additional technology in order to commercialize such products.

To date, Celldex has not made any royalty payments on sales of any products and believes it is at least a number of years away from selling any products that would require Celldex to make any such royalty payments. Whether Celldex will be obligated to make milestone or royalty payments in the future is subject to the success of Celldex's product development efforts and, accordingly, is inherently uncertain.

2. ***Rockefeller University***

On November 1, 2005, the Company and Rockefeller entered into a license agreement for the exclusive worldwide rights to human DEC-205 receptor, with the right to sublicense the technology. The license grant is exclusive except that Rockefeller may use and permit other nonprofit organizations to use the human DEC-205 receptor patent rights for educational and research purposes. In addition, the Company acknowledges that Rockefeller has granted Howard Hughes Medical Institute ("HHMI") a paid-up, nonexclusive, irrevocable license to use the patent rights, biological materials, and technical information for HHMI's research purposes, but with no right to sublicense. The Company may also be required to pay royalties on any product sales. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date which is the later of (i) the expiration of

the last to expire of the patents covering the licensed product in such country or (ii) ten years following the first commercial sale of a licensed product in such country.

The Company may be required to pay license fees and milestone payments to Rockefeller with respect to development of the human DEC-205 receptor. These fees and milestones may total up to $2 million to $4 million per product candidate that receives approval from the FDA and equivalent foreign agencies.

3. ***Duke University Brain Tumor Cancer Center***

On September 1, 2006, the Company and Duke University Brain Tumor Cancer Center of Duke University ("Duke") entered into a license agreement that gave the Company access and reference to the clinical data generated by Duke and its collaborators in order for the Company to generate its own filing with the FDA relating to its CDX-110 product.

In exchange for referencing all the Duke data, the Company paid Duke a one-time upfront payment of $175,000 and issued to Duke 100,000 shares of the Company's common stock, which the Company recorded in 2006 as a licensing expense in research and development. The estimated aggregate fair value of the common shares issued was $330,000.

The Company may be required to pay license fees and milestone payments to Duke with respect to development of the CDX-110 product. These fees and milestones may total up to $1.2 million if CDX-110 receives approval from the FDA and equivalent foreign agencies. The Company may also be required to pay royalties upon approval of CDX-110. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date of the expiration of the last to expire of the patents covering the licensed product in such country.

In connection with the Pfizer Agreement discussed in Note 10, the Company determined that $2,365,174 was payable to Duke as a sublicense fee. As agreed by Duke, at the Company's option, 50% of this amount was paid to Duke in the form of 81,512 shares of common stock in October 2008.

4. ***Ludwig Institute for Cancer Research***

On October 20, 2006, the Company and Ludwig Institute for Cancer Research ("Ludwig") entered into an agreement for the nonexclusive rights to six cancer tumor targets for use in combination with the Company's APC Targeting Technology. The term of the agreement is for ten years. As consideration for the nonexclusive license, the Company agreed to pay an annual license fee of $7,500 and $2,500 for each full-length antigen and partial-length antigen, respectively, until such antigens enter a randomized Phase 1 clinical trial.

As additional consideration for the nonexclusive license, the Company may be required to pay license fees and milestone payments to Ludwig for the use of the cancer targets in combination with the Company's technology. The fees and milestones may total up to $1.5 million to $2.5 million on a product candidate that receives approval from the FDA and equivalent foreign agencies. The Company may also be required to pay royalties upon approval of any product candidate. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date of the expiration of the last to expire of the patents covering the licensed product in such country.

5. ***Thomas Jefferson University***

In February 2003, as part of its acquisition of the EGFR VIII technology from Alteris Therapeutics, Inc., the Company entered into three exclusive license agreements with Thomas Jefferson University ("TJU"). Under the license agreements, TJU has granted a worldwide fee-and royalty-bearing exclusive license. Under these licenses, the Company will be obligated to pay TJU milestone payments which may total up to $3 million for the first licensed product developed during the term of

the license agreements, an annual license fee of $45,000, patent and other expenses associated with licenses, as well as royalties on net sales of licensed products during the term of the license agreements. The Company also issued 100,000 shares of its common stock to TJU. In the event that TJU provides notice of default and the default is not cured within 60 days of such notice, TJU may terminate the license agreements. In connection with the Pfizer Agreement, the Company amended its licenses with TJU to add additional sublicensing rights and made a $500,000 one-time license payment to TJU in June 2008.

As discussed in Note 10, the Company paid a sublicense fee of $2,365,174 to TJU during the quarter ended September 30, 2008 and paid an additional sublicense fee of $1,634,826 to TJU in October 2008.

6. ***Select Vaccines Limited***

In February 2007, the Company entered into a research and development partnership with Select Vaccines Limited ("Select Vaccines"), a public Australian biotechnology company, focused on the use of Select Vaccines' virus-like particles ("VLPs") as a platform technology for the development of viral vaccines. Under the terms of the agreement, the Company made an upfront equity investment of $735,000 in Select Vaccines and agreed to fund influenza vaccine research and development for two years, as well as provide payments to Select Vaccines for the achievement of specific preclinical and clinical development milestones. On November 1, 2007, the Company notified Select Vaccines that, effective December 31, 2007, the Company was exercising its rights to terminate its Collaboration and License Agreement with Select Vaccines for strategic reasons. In August 2008, the Company sold its equity investment in Select Vaccine shares and recorded net proceeds of $250,882.

7. ***3M Company***

On June 11, 2008, the Company and 3M Company entered into a license agreement for the exclusive worldwide rights to access 3M Company's proprietary Immune Response Modifier Resiquimod™ (and additional Toll-Like Receptor 7/8 agonists ("TLRs")) for clinical study with Celldex's proprietary APC Targeting Technology, for use as vaccine adjuvants, with the right to sublicense the technology.

The Company paid 3M Company a one-time upfront license fee which was charged to research and development expense in the quarter ended June 30, 2008. The Company may be required to pay annual license fees and milestone payments to 3M Company with respect to development of Resiquimod™. The Company may also be required to pay royalties upon approval of any product candidate. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date of the expiration of the last to expire of the patents covering the licensed product in such country.

8. ***University of Southampton***

In November 2008, the Company entered into an Exclusive Patent and Know-How License Agreement with the University of Southampton, UK, ("Southampton") to develop human antibodies towards CD27, a potentially important target for immunotherapy of various cancers. CD27 is a critical molecule in the activation pathway of lymphocytes, is downstream from CD40, and may provide a novel way to regulate the immune responses. In pre-clinical models, antibodies to CD27 have been shown to mediate anti-tumor effects alone, and may be particularly effective in combination with the Company's other immunotherapies.

The Company paid Southampton a one-time upfront license fee which was charged to research and development expense in the quarter ended December 31, 2008. The Company may be required to pay annual license fees and milestone payments to Southampton with respect to development of CD27.

The Company may also be required to pay royalties upon approval of any product candidate. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date of the expiration of the last to expire of the patents covering the licensed product in such country.

We depend on our collaborative relationships and may enter into more of them in the future. Some of the above referenced agreements give our collaborator substantial responsibility to make decisions about the amount and timing of resources that are devoted to developing a product. As a result, we do not have complete control over how resources are used toward some of our products.

Some of these agreements relate to products in the early stages of research and development and may require Celldex and our collaborator to jointly decide on the feasibility of developing a particular product using our technologies. In either case, these agreements may terminate without benefit to us if the underlying products are not fully developed. Moreover, once specific products are chosen for development, the agreements relating to them may require Celldex to meet specified milestones, to invest money and other resources in the development process or to negotiate additional licenses and other agreements, which may not be possible or advantageous. If we fail to meet our obligations under these agreements, they could terminate and we might need to enter into relationships with other collaborators and to spend additional time, money, and other valuable resources in the process.

Moreover, we cannot predict whether our collaborators will continue their development efforts or, if they do, whether their efforts will achieve success. Many of our collaborators face the same kinds of risks and uncertainties in their business that we face. A delay or setback to a collaborator will, at a minimum, delay the commercialization of any affected products, and may ultimately prevent it. Moreover, any collaborator could breach its agreement with us or otherwise not use best efforts to promote our products. A collaborator may choose to pursue alternative technologies or products that compete with our technologies or products. In either case, if a collaborator failed to successfully develop one of our products, we would need to find another collaborator. Our ability to do so would depend upon our legal right to do so at the time and whether the product remained commercially viable.

I. Competition

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Many of the products that Celldex is attempting to develop and commercialize will be competing with existing therapies. In addition, a number of companies are pursuing the development of pharmaceuticals that target the same diseases and conditions that Celldex is targeting. Celldex faces competition from pharmaceutical and biotechnology companies both in the United States and abroad. Celldex's competitors may utilize discovery technologies and techniques or partner with collaborators in order to develop products more rapidly or successfully than Celldex or its collaborators are able to do. Many of Celldex's competitors, particularly large pharmaceutical companies, have substantially greater financial, technical and human resources than Celldex does. In addition, academic institutions, government agencies and other public and private organizations conducting research may seek patent protection with respect to potentially competitive products or technologies and may establish exclusive collaborative or licensing relationships with Celldex's competitors.

Several pharmaceutical and biotechnology companies are actively engaged in research and development in areas related to therapeutic vaccines, including Alexion, Antigenics, Baxter, Crucell, Dendreon, Emergent, GlaxoSmithKline, Intercell, Sanofi-Aventis, Maxygen, Merck, NeoPharm, Novavax, Pfizer, Roche, Genitope, Northwest Biotherapeutics, Vical, Anadys, Idera, and Cell Genesys. Celldex is aware that Genitope, Northwest Biotherapeutics and Dendreon are in late stage clinical trials for therapeutic vaccines for the treatment of lymphoma, GBM, melanoma and prostate cancer, respectively, which may compete with CDX-1307, CDX-110 and CDX-1401. In addition, companies such as ImClone, Inc. with its approved product Erbitux™ for the treatment of colorectal cancer, and Genentech, Inc. with its product Herceptin® for the treatment of metastatic breast cancer, have already commercialized antibody-based products that may compete with CDX-1307, CDX-1401 and CDX-110. Various other companies are developing or commercializing products in areas that Celldex has targeted for product development. Some of these products use therapeutic approaches that may compete directly with Celldex's product candidates. Many of these companies and institutions, either alone or together with their partners, have substantially greater financial resources and larger research and development staffs than Celldex does. These companies may succeed in obtaining approvals from the Food and Drug Administration ("FDA") and foreign regulatory authorities for their products sooner than Celldex does for its products.

Celldex is aware of a number of competitive products currently available in the marketplace or under development that are used for the prevention and treatment of the diseases that Celldex has targeted for product development. Various companies are currently marketing or developing biopharmaceutical products that may compete with Celldex's product candidates that target colorectal cancer. Product candidates Celldex may develop are also subject to competition in the treatment of colorectal cancer from a number of products already approved and on the market, including the following chemotherapy products: AstraZeneca PLC's Tomudex®, Hoffman-LaRoche's Xeloda® (capecitabine), Immunex Corporation's Leucovorin® calcium, ImClone Systems' Erbitux™, Pfizer, Inc.'s Camptosar® (irinotecan) and Aduracil® (5-FU), Sanofi-Synthelabo Group's Eloxatin™ (oxaliplatin), Genentech's anti-VEGF antibody, Avastin™, GlaxoSmithKline's Eniluracil™, and Titan Pharmaceuticals' CeaVac™, in the treatment of patients with advanced-stage colorectal cancer. In addition, Celldex is aware that other companies such as Cell Genesys and Dendreon may be developing additional cancer vaccines that could potentially compete with other Celldex product candidates. Celldex may also face competition from Medarex and Bristol-Myers Squibb, which are developing a therapeutic vaccine for the treatment of melanoma using Medarex's MDX-010 product candidate. Celldex also faces competition from a number of companies working in the fields of anti-angiogenesis and specific active immunotherapy for the treatment of solid tumor cancers. Celldex expects that competition among specific active immunotherapy and anti-angiogenesis products approved for sale will be based on various factors, including product efficacy, safety, reliability, availability, price and patent position.

Celldex also faces competition from pharmaceutical and biotechnology companies, academic institutions, government agencies and private research organizations in recruiting and retaining highly qualified scientific personnel and consultants and in the development and acquisition of technologies. Moreover, technology controlled by third parties that may be advantageous to Celldex's business may be acquired or licensed by Celldex's competitors, thereby preventing us from obtaining technology on commercially reasonable terms, if at all. Celldex will also compete for the services of third parties that may have already developed or acquired internal biotechnology capabilities or made commercial arrangements with other biopharmaceutical companies to target the diseases on which Celldex has focused both in the U.S. and outside of the U.S.

Our competitive position will also depend upon our ability to attract and retain qualified personnel, obtain patent protection or otherwise develop proprietary products or processes and secure sufficient capital resources for the often lengthy period between technological conception and

commercial sales. We will require substantial capital resources to complete development of some or all of our products, obtain the necessary regulatory approvals and successfully manufacture and market our products. In order to secure capital resources, we anticipate having to sell additional capital stock, which would dilute existing stockholders. We may also attempt to obtain funds through research grants and agreements with commercial collaborators. However, these types of fundings are uncertain because they are at the discretion of the organizations and companies that control the funds. As a result, we may not receive any funds from grants or collaborations. Alternatively, we may borrow funds from commercial lenders, likely at high interest rates, which would increase the risk of any investment in Celldex.

J. Manufacturing

We have no experience in volume manufacturing and we have relied upon collaborators or contractors to manufacture our proposed products for both clinical and commercial purposes to date. We have established our own manufacturing facility in Fall River, Massachusetts, to produce antibodies, vaccines and other products that we may develop at scale for clinical trials. In order for us to establish a commercial manufacturing facility, we will require substantial additional funds and will be required to hire and retain significant additional personnel and comply with the extensive cGMP regulations of the FDA applicable to such facility. The commercial manufacturing facility would also need to be licensed for the production of antibodies, vaccines and other products by the FDA. We intend to establish manufacturing arrangements with manufacturers that comply with the FDA's requirements and other regulatory standards, although there can be no assurance that we will be able to do so.

While we believe that there is currently sufficient capacity worldwide for the production of our potential products by our collaborators or through contract manufacturers, establishing long-term relationships with contract manufacturers and securing multiple sources for the necessary quantities of clinical and commercial materials required can be a challenge. Qualifying the initial source of clinical and ultimately commercial material is a time consuming and expensive process due to the highly regulated nature of the pharmaceutical/biotech industry. These costs are hopefully mitigated in the economies of scale realized in commercial manufacture and product sale. The key difficulty in qualifying more than one source for each product is the duplicated time and expense in doing so without the potential to mitigate these costs if the secondary source is never utilized.

To date, we have been arranging with contract manufacturers for the manufacture of clinical trial supplies of CDX-110, CDX-1307 and CDX-1135. Manufacture of the rotavirus vaccine is the responsibility of Glaxo, which has received from us a world-wide exclusive license to commercialize this vaccine.

Two clinical lots of CDX-1307 have been manufactured and released for clinical studies by Medarex. This material is being used in Celldex's current Phase 1 clinical trials of CDX-1307. In 2009, Celldex expects to manufacture additional quantities of CDX-1307 in its Fall River facility to meet future clinical material requirements. The Company is currently manufacturing CDX-1401 clinical materials for a Phase 1 clinical trial expected to begin in the second half of 2009.

We contracted with Lonza Biologics plc for process development and scale-up of CDX-1135 for clinical trials and plan to manufacture CDX-1135 clinical materials in our Fall River facility in 2009. The Walter Reed Army Institute of Research ("WRAIR") has manufactured our bacterial vaccines under collaborative agreements with us. LAHI has manufactured the Megan®Vac 1 and Megan®Egg poultry vaccines.

The manufacturing processes for our other vaccine and immunotherapeutic delivery systems and vaccines utilize known technologies. We believe that the products we currently have under development can be scaled up to permit manufacture in commercial quantities. However, there can be no assurance that we will not encounter difficulties in scaling up the manufacturing processes.

Use of third party manufacturers limits our control over and ability to monitor the manufacturing process. As a result, we may not be able to detect a variety of problems that may arise and may face additional costs in the process of interfacing with and monitoring the progress of our contract manufacturers. If third party manufacturers fail to meet our manufacturing needs in an acceptable manner, we would face delays and additional costs while we develop internal manufacturing capabilities or find alternative third party manufacturers. It may not be possible to have multiple third party manufacturers ready to supply us with needed material at all or without incurring significant costs.

K. Marketing

Under the terms of existing and future collaborative agreements, we rely and expect to continue to rely on the efforts of our collaborators for the sale and marketing of our products. We have agreements with, among others, Glaxo, Pfizer, Biolipox (formerly Inflazyme and AdProTech) and VTI for the development and commercialization of some of our products. The relevant aspects of these relationships have been previously discussed under the heading "G. Product Development and Licensing Agreements." There can be no assurance that our collaborators will develop and market vaccine products incorporating our technologies, or, if marketed, that such efforts will be successful. The failure of our collaborators to successfully market products would harm our business.

We have retained, and in the future intend to retain, marketing rights to some of our product candidates, including vaccine and immunotherapeutic delivery systems and vaccine candidates, in selected geographic areas and for specified indications. We intend to seek marketing and distribution agreements and/or co-promotion agreements for the distribution of our products in these geographic areas and for these indications. We believe that these arrangements could enable us to generate greater financial return than might be obtained from early stage licensing and collaboration agreements. We have no marketing and sales staff and limited experience relating to marketing and distribution of commercial products, including vaccines. If we determine in the future to engage in direct marketing of our products, we will be required to recruit an experienced marketing group, develop a supporting distribution capability and incur significant additional expenditures. There can be no assurance that we will be able to establish a successful marketing force. We may choose or find it necessary to enter into strategic partnerships on uncertain, but potentially unfavorable, terms to sell, market and distribute our products. Any delay in the marketing or distribution of our products, whether it results from problems with internal capabilities or with a collaborative relationship, could harm the value of an investment in Celldex.

L. Patents, Licenses and Proprietary Rights

Celldex's policy is to protect our technology by filing patent applications and obtaining patent rights covering our own technology, both in the United States and in foreign countries. In addition, we have acquired and will seek to acquire as needed or desired, exclusive rights of others through assignment or license to complement our portfolio of patent rights. We also rely on trade secrets, unpatented know-how and technological expertise and innovation to develop and maintain our competitive position.

Patents: The successful development and marketing of products by Celldex will depend in part on our ability to create and maintain intellectual property, including patent rights. We have established a proprietary patent position in the areas of complement inhibitor technology, cholesterol regulation technology, vaccine technologies, and preservation technologies, and we are the owner or exclusive licensee of numerous patents and pending applications around the world. Although we continue to pursue patent protection for our products, no assurance can be given that any pending application will issue as a patent, that any issued patent will have a scope that will be of commercial benefit, or that we will be able to successfully enforce our patent position against infringers. Celldex routinely reviews its

patent portfolio and adjusts its strategies for prosecution and maintenance of individual cases according to a number of factors including program priorities, stage of development, and patent term.

Celldex owns or licenses rights under more than 500 granted patents and national and regional patent applications around the world covering inventions relating to our business. Through Celldex's acquisition of the assets of Alteris Therapeutics, Inc., Celldex has certain exclusive rights under nine issued national or regional patents and three pending national patent applications relating to the technology used in CDX-110. One of the pending patent applications (in Japan) is currently under appeal. Expiration dates for the key issued patents range from 2009 to 2014 in the United States and from 2010 to 2015 in the United Kingdom, Germany and France (not including any possible patent term extensions or Supplementary Protection Certificates, if these are obtained in due course).

In the area of APC targeting, through Celldex's agreements with Medarex and Rockefeller, Celldex is the owner or exclusive licensee of more than 20 issued patents and more than 70 pending national and regional patent applications worldwide. Through Celldex's agreement with the Ludwig Institute, Celldex has an option to obtain certain commercial rights in connection with Celldex's APC targeting technology under more than 100 national and regional patents and pending patent applications worldwide, relating to NY-ESO-1 and various other tumor antigens. Through Celldex's acquisition of Lorantis Limited (now Celldex Therapeutics Ltd.), Celldex obtained, in the area of Hepatitis B vaccination, certain exclusive rights under seven issued patents and more than 40 pending national and regional patent applications worldwide, and, in the area of Notch signaling modulation, control of 10 issued patents and more than 20 pending national and regional patent applications worldwide. Celldex also has non-exclusive rights under more than 30 national and regional patents and pending patent applications worldwide relating to the adjuvant formulation currently used with CDX-2101. Through Celldex's agreement with 3M, Celldex has certain exclusive rights under more than 100 issued patents and more than 50 pending patent applications relating to 3M's Toll-Like Receptor (TLR 7/8) agonist technology, for use with Celldex's APT targeting technology, as vaccine adjuvants. Through Celldex's agreement with the University of Southampton, Celldex has certain exclusive rights under an international patent application relating to modulation of CD27 activity.

In the area of complement inhibitor technology, we have rights to 51 patents and patent applications worldwide with the key patents in this area expiring in 2013 and 2016. In the area of cholesterol regulation, we have rights to 35 patents and patent applications worldwide with the key patents in this area expiring in 2016 and 2019. In the area of rotavirus vaccines, we have rights to 20 patents and patent applications worldwide, with the key patents in this area expiring in 2011 and 2012. In the area of cholera and typhoid vaccines, we have rights to 112 patents and patent applications worldwide with the key patents in this area expiring between 2013 and 2016.

In the area of complement inhibitors, we are co-owner with The Johns Hopkins University and Brigham & Women's Hospital, whose rights Celldex have exclusively licensed, of patents and applications covering inventions relating to soluble complement receptor type I ("sCR1"). These rights are based in part on the work of Dr. Douglas Fearon and include U.S. and foreign patents which claim nucleic acid sequences encoding CR1, sCR1 and active fragments; purification methods; and therapeutic uses of sCR1. We also own a number of other issued patents and patent applications relating to modified sCR1 molecules ("sCR1-sLe^x") and their uses.

We also have an exclusive license to 19 issued U.S. and foreign patents directed to a rotavirus strain that has been developed by Glaxo into a commercial rotavirus vaccine.

We have 26 issued patents and nine additional pending patent applications in the U.S. and selected foreign countries relating to control of cholesteryl ester transfer protein (CETP) activity through vaccination.

In December 2000, we acquired Megan and by this acquisition obtained exclusive rights to vaccine technology patents and applications based on the work of Dr. Roy Curtiss III. These patent rights complemented and expanded the patent rights acquired by Celldex in an earlier merger with Virus Research Institute, Inc., which had licensed in exclusive patent rights in this technological area from Harvard University and Massachusetts General Hospital, based on the work of Dr. John Mekalanos. In connection with our acquisition of Megan, we entered into a licensing agreement with Pfizer whereby Pfizer has licensed Megan's technology for the development of animal health and food safety vaccines.

In January 2003, Celldex completed licensing and acquisition agreements which gave us ownership or exclusive rights in certain defined fields to a portfolio of patents and applications filed by Universal Preservation Technologies, Inc. and Elan Drug Delivery Ltd. (now Innovata plc). This portfolio affords Celldex exclusive rights in a particular technology of foam preservation of biomolecules and cells, especially living cells useful as vaccines. This technology should be especially useful in Celldex's vaccine programs to produce vaccine dosage forms that are thermostable.

There can be no assurance that patent applications owned by or licensed to Celldex will result in granted patents or that, if granted, the resultant patents will afford protection against competitors with similar technology. It is also possible that third parties may obtain patents or other proprietary rights that may be necessary or useful to Celldex. In cases where third parties are first to invent a particular product or technology, it is possible that those parties will obtain patents that will be sufficiently broad to prevent us from using important technology or from further developing or commercializing important vaccine and immunotherapeutic systems and vaccine candidates. If licenses from third parties are necessary but cannot be obtained, commercialization of the covered products might be delayed or prevented. Even if these licenses can be obtained, they would probably require us to pay ongoing royalties and other costs, which could be substantial.

Although a patent has a statutory presumption of validity in the United States, the issuance of a patent is not conclusive as to validity or as to the enforceable scope of the patent claims. The validity or enforceability of a patent after its issuance by the Patent and Trademark Office can be challenged in litigation. As a business that uses a substantial amount of intellectual property, we face a heightened risk of intellectual property litigation. If the outcome of the litigation is adverse to the owner of the patent, third parties may then be able to use the invention covered by the patent without authorization or payment. There can be no assurance that our issued patents or any patents subsequently issued to or licensed by us will not be successfully challenged in the future. In addition, there can be no assurance that our patents will not be infringed or that the coverage of our patents will not be successfully avoided by competitors through design innovation.

We are aware that others, including universities and companies, have filed patent applications and have been granted patents in the United States and other countries which claim subject matter potentially useful or necessary to the commercialization of our products. The ultimate scope and validity of existing or future patents which have been or may be granted to third parties, and the availability and cost of acquiring rights in those patents necessary to the manufacture, use or sale of our products presently cannot be determined by Celldex.

Third parties may have or may obtain valid and enforceable patents or proprietary rights that could block Celldex from developing products using Celldex's technology, including:

- certain patents and applications in the United States and Europe owned by Sanofi-Aventis, which relate to antibody-antigen conjugates and methods of their use for eliciting an immune response against the antigen;

- certain patents and applications in the United States and foreign countries covering particular antigens and antigenic fragments targeted by Celldex's current vaccine product candidates, including CDX-1307, CDX-1401, CDX-2401 and CDX-2402;

- certain patents and pending applications related to particular receptors and other molecules on dendritic cells and macrophages that may be useful for generating monoclonal antibodies and can be employed in Celldex's APC Targeting Technology;
- two United States patents and related foreign patents and applications covering methods of diagnosing gliomas by detecting the presence of the EGFRvIII (tumor specific splice variant) protein;
- a United States patent relating to certain uses of GM-CSF;
- a European patent relating to certain tumor antigen splice variants;
- a Patent Cooperation Treaty (PCT) patent application relating to certain methods of treatment of tumors such as glioma;
- a United States patent owned by Genentech, Inc., relating to the production of recombinant antibodies in host cells;
- a United States patent owned by GlaxoSmithKline plc related to methods of culturing cells under certain conditions;
- certain patents held by third parties relating to antibody expression in particular types of host cells;
- certain patents and pending applications in the United States and foreign countries relating to Hepatitis B antigens, formulations and uses; and
- certain patents and pending applications in the United States and foreign countries relating to Notch ligands, sequences and uses.

We use a mutated *Vibrio cholerae* in our CholeraGarde® vaccine candidate and our VibrioVec® vaccine delivery system. We are aware of an issued U.S. patent which claims a culture of mutated *Vibrio cholerae*. We believe that only one claim (the "Claim") of the patent may be pertinent to our CholeraGarde® and VibrioVec® products. The remaining claims of the patent cover other cultures, which we believe are not pertinent to the CholeraGarde® or VibrioVec® products. We have received an opinion of counsel from Fish & Richardson, P.C. that, based on the analysis set forth in their opinion and the facts known to them, the Claim is invalid. While a party challenging the validity of a patent has the burden of proving invalidity, the outcome of any litigation cannot be predicted with certainty. Accordingly, there can be no assurance that, if litigated, a court would conclude that the Claim is invalid.

In addition to the patents referred to in the previous paragraphs, there may be other patent applications and issued patents belonging to competitors that may require us to alter our vaccine candidates and vaccine and immunotherapeutic delivery systems, pay licensing fees or cease some of our activities. If our product candidates conflict with patents that have been or may be granted to competitors, universities or others, the patent owners could bring legal action against us claiming damages and seeking to enjoin manufacturing and marketing of the patented products. If any of these actions is successful, in addition to any potential liability for damages, we could be required to obtain a license in order to continue to manufacture or market the affected products. There can be no assurance that we would prevail in any such action or that any license required under any such third party patent would be made available on acceptable terms or at all. We believe that there may be significant litigation in the biotechnology and vaccine industries regarding patent and other intellectual property rights. If we become involved in that litigation, we could consume substantial resources.

Licenses: We have entered into several significant license agreements relating to technology that is being developed by Celldex and/or its collaborators, including licenses from the following: Johns Hopkins University, Duke University and Thomas Jefferson University relating to technology used in or

with CDX-110; Medarex and GenPharm International relating to APC Targeting Technology and antibody technology; Rockefeller relating to APC Targeting Technology; Ludwig Institute relating to tumor antigens; 3M Company relating to Toll-Like Receptor (TLR) 7/8 agonist technology; Southampton relating to modulation of CD27 activity; Apovia and Celltech R&D relating to Hepatitis B core particle technology; Corixa relating to adjuvant formulations used with Celldex's product candidate CDX-2101; Harvard University and Massachusetts General Hospital relating to proprietary technology involving genetically altered *Vibrio cholerea* and *Salmonella* strains; and Cincinnati Children's Hospital involving proprietary rights and technologies relating to an attenuated rotavirus strain for a rotavirus vaccine.

In general, these institutions have granted us an exclusive worldwide license (with right to sublicense) to make, use and sell products embodying the licensed technology, subject to the reservation by the licensor of a non-exclusive right to use the technologies for non-commercial research purposes. Generally, the term of each license is through the expiration of the last of the patents issued with respect to the technologies covered by the license. We have generally agreed to use reasonable efforts to develop and commercialize licensed products and to achieve specified milestones and pay license fees, milestone payments and royalties based on the net sales of the licensed products or to pay a percentage of sublicense income. If we breach our obligations, the licensor has the right to terminate the license, and, in some cases, convert the license to a non-exclusive license. Generally, we control and are responsible for the cost of defending the patent rights of the technologies that we license.

Proprietary Rights: We also rely on unpatented technology, trade secrets and confidential information, and no assurance can be given that others will not independently develop substantially equivalent information and techniques or otherwise gain access to our know-how and information, or that we can meaningfully protect our rights in such unpatented technology, trade secrets and information. We require each of our employees, consultants and advisors to execute a confidentiality agreement at the commencement of an employment or consulting relationship with Celldex. The agreements generally provide that all inventions conceived by the individual in the course of employment or in providing services to Celldex and all confidential information developed by, or made known to, the individual during the term of the relationship shall be the exclusive property of Celldex and shall be kept confidential and not disclosed to third parties except in limited specified circumstances. There can be no assurance, however, that these agreements will provide meaningful protection for our information in the event of unauthorized use or disclosure of such confidential information.

M. Government Regulation

Our activities and products are significantly regulated by a number of governmental entities, including the FDA in the United States and by comparable authorities in other countries and by the USDA with respect to products developed for animal health and food safety. These entities regulate, among other things, the manufacture, testing, safety, effectiveness, labeling, documentation, advertising and sale of our products. We must obtain regulatory approval for a product in all of these areas before we can commercialize the product. Product development within this regulatory framework takes a number of years and involves the expenditure of substantial resources. Many products that initially appear promising ultimately do not reach the market because they are found to be unsafe or ineffective when tested. Our inability to commercialize a product would impair our ability to earn future revenues.

In the United States, vaccines and immunotherapeutics for human use are subject to FDA approval as "biologics" under the Public Health Service Act and "drugs" under the Federal Food, Drug and Cosmetic Act. The steps required before a new product can be commercialized include: pre-clinical studies in animals, clinical trials in humans to determine safety and efficacy and FDA approval of the product for commercial sale.

Data obtained at any stage of testing is susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. Moreover, during the regulatory process, new or changed drug approval policies may cause unanticipated delays or rejection of our product. We may not obtain necessary regulatory approvals within a reasonable period of time, if at all, or avoid delays or other problems in testing our products. Moreover, even if we received regulatory approval for a product, the approval may require limitations on use, which could restrict the size of the potential market for the product.

The FDA provides that human clinical trials may begin thirty (30) days after receipt and review of an Investigational New Drug ("IND") application, unless the FDA requests additional information or changes to the study protocol within that period. An IND must be sponsored and filed by Celldex for each of our proposed products. Authorization to conduct a clinical trial in no way assures that the FDA will ultimately approve the product. Clinical trials are usually conducted in three sequential phases. In a Phase 1 trial, the product is given to a small number of healthy volunteers to test for safety (adverse effects). Phase 2 trials are conducted on a limited group of the target patient population; safety, optimal dosage and efficacy are studied. A Phase 3 trial is performed in a large patient population over a wide geographic area to provide evidence for the safety of the product and to prove and confirm efficacy. The FDA has ongoing oversight over all these trials and can order a temporary or permanent discontinuation if warranted. Such an action could materially harm Celldex. Clinical tests are critical to the success of our products but are subject to unforeseen and uncontrollable delay, including delay in enrollment of patients. Any delay in clinical trials could delay our commercialization of a product.

A product's safety and effectiveness in one test is not necessarily indicative of its safety and effectiveness in another test. Moreover, we may not discover all potential problems with a product even after completing testing on it. Some of our products and technologies have undergone only pre-clinical testing. As a result, we do not know whether they are safe or effective for humans. Also, regulatory authorities may decide, contrary to our findings, that a product is unsafe or not as effective in actual use as its test results indicated. This could prevent the product's widespread use, require its withdrawal from the market or expose us to liability.

The results of the clinical trials and all supporting data are submitted to the FDA for approval. A Biologics License Application ("BLA") is submitted for a biologic product; a New Drug Application ("NDA") for a drug product. The interval between IND filing and BLA/NDA filing is usually at least several years due to the length of the clinical trials, and the BLA/NDA review process can take over a year. During this time the FDA may request further testing or additional trials or may turn down the application. Even with approval, the FDA frequently requires post-marketing safety studies (known as Phase 4 trials) to be performed.

The FDA requires that the manufacturing facility that produces a licensed product meet specified standards, undergo an inspection and obtain an establishment license prior to commercial marketing. Subsequent discovery of previously unknown problems with a product or its manufacturing process may result in restrictions on the product or the manufacturer, including withdrawal of the product from the market. Failure to comply with the applicable regulatory requirements can result in fines, suspensions of regulatory approvals, product recalls, operating restrictions and criminal prosecution.

In the United States, vaccines for animal health and food safety use are subject to USDA approval. The steps required before a new product can be commercialized include: pre-clinical studies in animals; clinical trials in animals to determine safety and efficacy; and USDA approval of the product for commercial sale. The registration of these vaccines may be subject to numerous delays or possibly outright rejection of the product by the agency. Delays may occur at any stage of testing, clinical results may be subject to unfavorable interpretation by the agency and regulatory approval, if received, may require limitations on use which could restrict the size of the potential market for the product. The USDA requires that the manufacturing facility that produces a licensed product meet

specified standards, undergo an inspection and obtain an establishment license prior to commercial marketing. Under USDA regulations, this license is held by the manufacturer of the product, not the developer of the product. Failure to comply with applicable USDA regulatory requirements can result in fines, suspensions of regulatory approvals, product recalls, operating restrictions and criminal prosecution.

The Advisory Committee on Immunization Practices ("ACIP") of the Centers for Disease Control ("CDC") has a role in setting the public market in the United States for the vaccine products we intend to develop. The ACIP makes recommendations on the appropriate use of vaccines and related products and the CDC develops epidemiologic data relevant to vaccine requirements and usage.

Because we may market our products abroad, we will be subject to varying foreign regulatory requirements. Although international efforts are being made to harmonize these requirements, applications must currently be made in each country. The data necessary and the review time vary significantly from one country to another. Approval by the FDA does not ensure approval by the regulatory bodies of other countries.

Our collaborators are also subject to all of the above-described regulations in connection with the commercialization of products utilizing our technology.

N. Product Liability

The risk of product liability claims, product recalls and associated adverse publicity is inherent in the testing, manufacturing, marketing and sale of medical products. If and when we manufacture vaccines that are recommended for routine administration to children, we will be required to participate in the National Vaccine Injury Compensation Program. This program compensates children having adverse reactions to certain routine childhood immunizations with funds collected through an excise tax from the manufacturers of these vaccines.

We have clinical trial liability insurance coverage in the amount of $5 million. However, there can be no assurance that such insurance coverage is or will continue to be adequate or available. We may choose or find it necessary under our collaborative agreements to increase our insurance coverage in the future. We may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for mandatory damages could exceed the amount of our coverage. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product recall could generate substantial negative publicity about our products and business and inhibit or prevent commercialization of other product candidates.

O. Employees; Scientific Consultants

As of February 20, 2009, we employed 78 full time persons and 3 part time or temporary persons, 11 of whom have doctoral degrees. Of these employees, 63 were engaged in or directly support research and development activities. Celldex's success depends in large part upon its ability to attract and retain employees. Celldex faces competition for employees from other companies, research and academic institutions, government agencies and other organizations. Celldex believes that its employee relations are good.

Item 1A. Risk Factors

You should consider carefully these risk factors together with all of the information included or incorporated by reference in this Annual Report in addition to our financial statements and the notes to our financial statements. This section includes forward-looking statements.

The following is a discussion of the risk factors that we believe are material to Celldex at this time. These risks and uncertainties are not the only ones facing Celldex and there may be additional matters that we are unaware of or that we currently consider immaterial. All of these could adversely affect our business, results of operations, financial condition and cash flows.

Risks Related to Our Business

Our products and product candidates are subject to extensive regulatory scrutiny.

All of our products and product candidates are at various stages of development and commercialization and our activities, products and product candidates are significantly regulated by a number of governmental entities, including the FDA in the United States and by comparable authorities in other countries and by the USDA in the United States with respect to products developed for animal health and food safety. These entities regulate, among other things, the manufacture, testing, safety, effectiveness, labeling, documentation, advertising and sale of our products and product candidates. We or our partners must obtain regulatory approval for a product candidate in all of these areas before we can commercialize the product candidate. Product development within this regulatory framework takes a number of years and involves the expenditure of substantial resources. This process typically requires extensive pre-clinical and clinical testing, which may take longer or cost more than we anticipate, and may prove unsuccessful due to numerous factors. Many product candidates that initially appear promising ultimately do not reach the market because they are found to be unsafe or ineffective when tested. Companies in the pharmaceutical, biotechnology and vaccines industries have suffered significant setbacks in advanced clinical trials, even after obtaining promising results in earlier trials. Our inability to commercialize a product or product candidate would impair our ability to earn future revenues.

If our products do not pass required tests for safety and effectiveness, we will not be able to derive commercial revenue from them.

For Celldex to succeed, we will need to derive commercial revenue from the products we have under development. The FDA has not approved our CDX-110 product candidate or any of our lead products for sale to date. Products in our vaccine programs are in various stages of pre-clinical and clinical testing. Pre-clinical tests are performed at an early stage of a product's development and provide information about a product's safety and effectiveness on laboratory animals. Pre-clinical tests can last years. If a product passes its pre-clinical tests satisfactorily, and we determine that further development is warranted, we file an investigational new drug application for the product with the FDA, and if the FDA gives its approval we begin phase 1 clinical tests. Phase 1 testing generally lasts between 6 and 24 months. If phase 1 test results are satisfactory and the FDA gives its approval, we can begin phase 2 clinical tests. Phase 2 testing generally lasts between 6 and 36 months. If phase 2 test results are satisfactory and the FDA gives its approval, we can begin phase 3 pivotal studies. Phase 3 studies generally last between 12 and 48 months. Once clinical testing is completed and a new drug application is filed with the FDA, it may take more than a year to receive FDA approval.

In all cases we must show that a pharmaceutical product is both safe and effective before the FDA, or drug approval agencies of other countries where we intend to sell the product, will approve it for sale. Our research and testing programs must comply with drug approval requirements both in the United States and in other countries, since we are developing our lead products with companies, including Glaxo and Pfizer, which intend to or could later decide to commercialize them both in the U.S. and abroad. A product may fail for safety or effectiveness at any stage of the testing process. A major risk we face is the possibility that none of our products under development will come through the testing process to final approval for sale, with the result that we cannot derive any commercial revenue from them after investing significant amounts of capital in multiple stages of pre-clinical and clinical testing.

Product testing is critical to the success of our products but subject to delay or cancellation if we have difficulty enrolling patients.

As our portfolio of potential products moves from pre-clinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients with the appropriate characteristics. At times we have experienced difficulty enrolling patients and we may experience more difficulty as the scale of our clinical testing program increases. The factors that affect our ability to enroll patients are largely uncontrollable and include principally the following:

- the nature of the clinical test;
- the size of the patient population;
- patients willingness to receive a placebo or less effective treatment on the control arm of a clinical study;
- the distance between patients and clinical test sites; and
- the eligibility criteria for the trial.

If we cannot enroll patients as needed, our costs may increase or it could force us to delay or terminate testing for a product.

Any delay in obtaining regulatory approval would have an adverse impact on our ability to earn future revenues.

It is possible that none of the products or product candidates that we develop will obtain the regulatory approvals necessary for us to begin commercializing them. The time required to obtain FDA and other approvals is unpredictable but often can take years following the commencement of clinical trials, depending upon the nature of the product candidate. Any analysis we perform of data from clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Any delay or failure in obtaining required approvals could have a material adverse effect on our ability to generate revenues from the particular product candidate. Furthermore, if we, or our partners, do not reach the market with our products before our competitors offer products for the same or similar uses, or if we, or our partners, are not effective in marketing our products, our revenues from product sales, if any, will be reduced.

We face intense competition in our development activities. We face competition from many companies in the United States and abroad, including a number of large pharmaceutical companies, firms specialized in the development and production of vaccines, adjuvants and vaccine and immunotherapeutic delivery systems and major universities and research institutions. These competitors include Anitgenics, Baxter, Crucell, Dendreon, Emergent, GlaxoSmithKline, Intercell, Sanofi-Aventis, Maxygen, Merck, NeoPharm, Novavax, Pfizer, Roche, Genitope, Northwest Biotherapeutics, Vical and Cell Genesys. Most of our competitors have substantially greater resources, more extensive experience in conducting pre-clinical studies and clinical testing and obtaining regulatory approvals for their products, greater operating experience, greater research and development and marketing capabilities and greater production capabilities than those of Celldex. These companies might succeed in obtaining regulatory approval for competitive products more rapidly than we can for our products, especially if we experience any delay in obtaining required regulatory approvals.

Failure to comply with applicable regulatory requirements would adversely impact our operations.

Even after receiving regulatory approval, our products would eb subject to extensive regulatory requirements, and our failure to comply with applicable regulatory requirements will adversely impact our operations. In the United States, the FDA and USDA, as applicable, require that the

manufacturing facility that produces a product meet specified standards, undergo an inspection and obtain an establishment license prior to commercial marketing. Under USDA regulations, this license is held by the manufacturer of the product and not the developer of the product. Subsequent discovery of previously unknown problems with a product or its manufacturing process may result in restrictions on the product or the manufacturer, including withdrawal of the product from the market. Failure to comply with the applicable regulatory requirements can result in fines, suspensions of regulatory approvals, product recalls, operating restrictions and criminal prosecution.

We depend greatly on the intellectual capabilities and experience of our key executives and scientists and the loss of any of them could affect our ability to develop our products.

The loss of Anthony S. Marucci, our President and Chief Executive Officer, or other key members of our staff, including Avery W. Catlin, our Chief Financial Officer, Dr. Thomas Davis, our Chief Medical officer, or Dr. Tibor Keler, our Chief Scientific Officer, could harm us. We entered into employment agreements with Messrs. Marucci, Catlin, Davis and Keler. We also depend on our scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to us. In addition, we believe that our future success will depend in large part upon our ability to attract and retain highly skilled scientific, managerial and marketing personnel, particularly as we expand our activities in clinical trials, the regulatory approval process and sales and manufacturing. We routinely enter into consulting agreements with our scientific and clinical collaborators and advisors, opinion leaders and heads of academic departments in the ordinary course of our business. We also enter into contractual agreements with physicians and institutions who recruit patients into our clinical trials on our behalf in the ordinary course of our business. Notwithstanding these arrangements, we face significant competition for this type of personnel from other companies, research and academic institutions, government entities and other organizations. We cannot predict our success in hiring or retaining the personnel we require for continued growth.

We rely on contract manufacturers. Should the cost, delivery and quality of clinical and commercial grade materials supplied by contract manufacturers vary to our disadvantage, our business operations could suffer significant harm.

Although we have small-lot manufacturing capability at our Fall River facility, we have in the past relied on, and expect to continue to rely on sourcing from third-party manufacturers for suitable quantities of some of our clinical and commercial grade materials essential to pre-clinical and clinical studies currently underway and to planned clinical trials in addition to those currently being conducted by third parties or us. The inability to have suitable quality and quantities of these essential materials produced in a timely manner would result in significant delays in the clinical development and commercialization of products, which could adversely affect our business, financial condition and results of operations. We may rely on collaborators and contract manufacturers to manufacture proposed products in both clinical and commercial quantities in the future. Our leading vaccine candidates require specialized manufacturing capabilities and processes.

We have faced difficulties in securing commitments from U.S. and foreign contract manufacturers as these manufacturers have at times been unwilling or unable to accommodate our needs. Relying on foreign manufacturers involves peculiar and increased risks, and on one occasion we had to terminate a contract with a foreign manufacturer and find a substitute source of material for planned clinical trials. These peculiar and increased risks include risks relating to the difficulties foreign manufacturers may face in complying with the FDA's Good Manufacturing Practices, or GMP, as a result of language barriers, lack of familiarity with GMP or the FDA regulatory process or other causes, economic or political instability in or affecting the home countries of our foreign manufacturers, shipping delays, potential changes in foreign regulatory laws governing the sales of our product supplies, fluctuations in foreign currency exchange rates and the imposition or application of trade restrictions.

There can be no assurances that we will be able to enter into long-term arrangements with third party manufacturers on acceptable terms or at all. Further, contract manufacturers must also be able to meet our timetable and requirements, and must operate in compliance with GMP; failure to do so could result in, among other things, the disruption of product supplies. As noted above, non-U.S. contract manufacturers may face special challenges in complying with the FDA's GMP requirements, and although we are not currently dependent on non-U.S. collaborators or contract manufacturers, we may choose or be required to rely on non-U.S. sources in the future as we seek to develop stable supplies of increasing quantities of materials for ongoing clinical trials of larger scale. Our dependence upon third parties for the manufacture of our products may adversely affect our profit margins and our ability to develop and deliver products on a timely and competitive basis.

Prior to the establishment in 2008 of our own in-house antibody manufacturing capabilities at our Fall River facility, we had depended on third party suppliers and manufacturers, including Medarex, Biosyn Corporation, American Peptide Company, AmbioPharm, Inc., WRAIR, Lonza Biologics plc, Bioconcept, Inc., NeoMPS, Inc. and LAHI, to provide us with suitable quantities of materials necessary for clinical tests. If these materials are not available in suitable quantities of appropriate quality, in a timely manner, and at a feasible cost, our clinical tests will face delays.

We rely on third parties to plan, conduct and monitor our clinical tests, and their failure to perform as required would interfere with our product development.

We have relied on third parties, including, among others, Omnicare, Inc., Accelovance, the International Center for Diarrhoeal Disease Research, Bangladesh, the International Vaccines Institute, Cincinnati Children's Hospital Medical Center, The Cleveland Clinic, Radiant Research, Inc., Biobridges, LLC, Glaser Research Group, the NIH, Pfizer, Inc. and Glaxo to conduct the significant majority of our clinical research development activities. These activities can be characterized as clinical patient recruitment and observation, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. We conduct approximately 75% of our project management and 50% of our medical and safety monitoring in-house and rely on third parties for the remainder of our clinical development activities. If any of these third parties fails to perform as we expect or if their work fails to meet regulatory standards, our testing could be delayed, cancelled or rendered ineffective.

We depend greatly on third party collaborators to license, develop and commercialize some of our products, and they may not meet our expectations.

We have agreements with other companies, including Glaxo, Pfizer, Biolipox and VTI for the licensing, development and ultimate commercialization of some of our products. Some of those agreements give substantial responsibility over the products to the collaborator. Some collaborators may be unable or unwilling to devote sufficient resources to develop our products as their agreements require. They often face business risks similar to ours, and this could interfere with their efforts. Also, collaborators may choose to devote their resources to products that compete with ours. If a collaborator does not successfully develop any one of our products, we will need to find another collaborator to do so. The success of our search for a new collaborator will depend on our legal right to do so at the time and whether the product remains commercially viable.

The success of our vaccine candidates depends in great part upon our and our collaborators' success in promoting them as superior to other treatment alternatives. We believe that vaccines like those under development by Celldex can be proven to offer disease prevention and treatment with notable advantages over drugs in terms of patient compliance and effectiveness. However, there can be no assurance that we will be able to prove these advantages or that the advantages will be sufficient to support the successful commercialization of our vaccines.

We may face delays, difficulties or unanticipated costs in establishing sales, distribution and manufacturing capabilities for our commercially ready products.

To date, we have chosen to retain, rather than license, all rights to some of our lead products, such as our APC Targeting Technology programs. If we proceed with this strategy, we will have full responsibility for commercialization of these products if and when they are approved for sale. We currently lack the marketing, sales and distribution capabilities that we will need to carry out this strategy. To market any of our products directly, we must develop a substantial marketing and sales force with technical expertise and a supporting distribution capability. We have little expertise in this area, and we may not succeed. We may find it necessary to enter into strategic partnerships on uncertain but potentially unfavorable terms to sell, market and distribute our products when they are approved for sale.

Some of our products are difficult to manufacture, especially in large quantities, and we have not yet developed commercial scale manufacturing processes for any of our products. We do not currently plan to develop internal manufacturing capabilities to produce any of our products at commercial scale if they are approved for sale. To the extent that we choose to market and distribute these products ourselves, this strategy will make us dependent on other companies to produce our products in adequate quantities, in compliance with regulatory requirements, and at a competitive cost. We may not find third parties capable of meeting those manufacturing needs.

Certain factors could negatively affect the demand for and sales and profitability of Rotarix®, which would have a material adverse affect on our revenues.

Both the demand and ultimately the profitability of Rotarix® are components to our success. We have licensed a rotavirus strain to Glaxo for the purposes of Glaxo developing and commercializing their Rotarix® vaccine worldwide. Glaxo gained approval for Rotarix® in Mexico in July 2004, in the European Union in February 2006 and in the United States in April 2008. In May 2005, Celldex entered into an agreement whereby an affiliate of PRF purchased an interest in the net royalties we will receive on worldwide sales of Rotarix® (see Note 10 of our audited consolidated financial statements) and we retained 50% of Glaxo milestone payments, with the balance payable to PRF and CCH. In addition, Celldex retains substantial upside participation in the worldwide net royalty stream from Rotarix® if worldwide net royalties once PRF receives an agreed upon return on capital invested (2.45 times PRF's aggregate cash payments to Celldex of $60 million). The following are potential factors, among others, that may negatively affect the demand for Rotarix®:

- Competitors in the pharmaceuticals, biotechnology and vaccines market have greater financial and management resources, and significantly more experience in bringing products to market, and may develop, manufacture and market products that are more effective or less expensive than Rotarix®;
- Rotarix® could be replaced by a novel product and may become obsolete;
- Glaxo may be unable to prevent third parties from infringing upon their proprietary rights related to Rotarix®;
- Users may not accept such a recently approved product without years of proven history; and
- We are dependent on Glaxo for the manufacturing, testing, acquisition of regulatory approvals, marketing, distribution and commercialization of Rotarix®.

Any of these factors could have a material adverse effect on the sales of Rotarix® and our results of operations.

Other factors could affect the demand for and sales and profitability of Rotarix® and any other of our current or future products.

In general, other factors that could affect the demand for and sales and profitability of our products include, but are not limited to:

- The timing of regulatory approval, if any, of competitive products;
- Our, Glaxo's, Pfizer's or any other of our partners' pricing decisions, as applicable, including a decision to increase or decrease the price of a product, and the pricing decisions of our competitors;
- Government and third-party payer reimbursement and coverage decisions that affect the utilization of our products and competing products;
- Negative safety or efficacy data from new clinical studies conducted either in the U.S. or internationally by any party could cause the sales of our products to decrease or a product to be recalled;
- The degree of patent protection afforded our products by patents granted to or licensed by us and by the outcome of litigation involving our or any of our licensor's patents;
- The outcome of litigation involving patents of other companies concerning our products or processes related to production and formulation of those products or uses of those products;
- The increasing use and development of alternate therapies;
- The rate of market penetration by competing products; and
- The termination of, or change in, existing arrangements with our partners.

Any of these factors could have a material adverse effect on Glaxo's sales of Rotarix® and on any other of our current or future products and results of operations.

We may be unable to manage multiple late stage clinical trials for a variety of product candidates simultaneously.

As our current clinical trials progress, we may need to manage multiple late stage clinical trials simultaneously in order to continue developing all of our current products. The management of late stage clinical trials is more complex and time consuming than early stage trials. Typically early stage trials involve several hundred patients in no more than 10-20 clinical sites. Late stage (Phase 3) trials may involve up to several thousand patients in up to several hundred clinical sites and may require facilities in several countries. Therefore, the project management required to supervise and control such an extensive program is substantially larger than early stage programs. As the need for these resources is not known until some months before the trials begin it is necessary to recruit large numbers of experienced and talented individuals very quickly. If the labor market does not allow this team to be recruited quickly the sponsor is faced with a decision to delay the program or to initiate it with inadequate management resources. This may result in recruitment of inappropriate patients, inadequate monitoring of clinical investigators and inappropriate handling of data or data analysis. Consequently it is possible that conclusions of efficacy or safety may not be acceptable to permit filing of a BLA or NDA for any one of the above reasons or a combination of several.

We face the risk of product liability claims, which could exceed our insurance coverage, and produce recalls, each of which could deplete our cash resources.

As a participant in the pharmaceutical, biotechnology and vaccines industries, we are exposed to the risk of product liability claims alleging that use of our products or product candidates caused an

injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of our products or product candidates and may be made directly by patients involved in clinical trials of our products, by consumers or healthcare providers or by individuals, organizations or companies selling our products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product candidate moves through the development pipeline to commercialization. We have clinical trial liability insurance coverage in the amount of $5 million. However, there can be no assurance that such insurance coverage is or will continue to be adequate or available to us at a cost acceptable to us or at all. We may choose or find it necessary under our collaborative agreements to increase our insurance coverage in the future. We may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of our coverage, require us to pay a substantial monetary award from our own cash resources and have a material adverse effect on our business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about our products and business and inhibit or prevent commercialization of other products and product candidates.

In addition, some of our licensing and other agreements with third parties require or might require us to maintain product liability insurance. If we cannot maintain acceptable amounts of coverage on commercially reasonable terms in accordance with the terms set forth in these agreements, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them.

Because we rely on third parties to develop our products, we must share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements will typically restrict the ability of our collaborators, advisors, employees and consultants to publish data potentially relating to our trade secrets. Our academic collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure our intellectual property rights arising from the collaboration. In other cases, publication rights are typically controlled exclusively by us, although in some cases we may share these rights with other parties. We also conduct joint research and development programs which may require us to share trade secrets under the terms of research and development partnership or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of our trade secrets would impair our competitive position.

We may not be able to successfully integrate newly-acquired technology with our existing technology or to modify our technologies to create new vaccines.

As part of our acquisition of technology assets from entities such as 3M Company, we have acquired access to Resiquimod™ (a TLR $^{7}/_{8}$ agonists) which may improve the immunogenicity of our vaccines. If we are able to integrate these licensed assets with our vaccine technologies, we believe these assets will give Celldex's vaccines a competitive advantage. However, if we are unable to successfully integrate licensed assets, or other technologies which we have acquired or may acquire in

the future, with our existing technologies and potential products currently under development, we may be unable to realize any benefit from our acquisition of these assets, or other technologies which we have acquired or may acquire in the future and may face the loss of our investment of financial resources and time in the integration process.

We believe that Celldex's vaccine technology portfolio may offer opportunities to develop vaccines that treat a variety of oncology, inflammatory and infectious diseases by stimulating a patient's immune system against those disease organisms. If our vaccine technology portfolio cannot be used to create effective vaccines against a variety of disease organisms, we may lose all or portions of our investment in development efforts for new vaccine candidates.

We license technology from other companies to develop products, and those companies could influence research and development or restrict our use of it.

Companies that license technologies to us that we use in our research and development programs may require us to achieve milestones or devote minimum amounts of resources to develop products using those technologies. They may also require us to make significant royalty and milestone payments, including a percentage of any sublicensing income, as well as payments to reimburse them for patent costs. The number and variety of our research and development programs require us to establish priorities and to allocate available resources among competing programs. From time to time we may choose to slow down or cease our efforts on particular products. If in doing so we fail to fully perform our obligations under a license, the licensor can terminate the licenses or permit our competitors to use the technology. Moreover, we may lose our right to market and sell any products based on the licensed technology.

We have many competitors in our field and they may develop technologies that make ours obsolete.

Biotechnology, pharmaceuticals and therapeutics are rapidly evolving fields in which scientific and technological developments are expected to continue at a rapid pace. We have many competitors in the U.S. and abroad, including Alexion, Antigenics, Baxter, Crucell, Dendreon, Emergent BioSolutions, GlaxoSmithKline, Intercell, Sanofi-Aventis, Maxygen, Merck, NeoPharm, Novavax, Pfizer, Roche, Genitope, Northwest Biotherapeutics, Vical, Anadys, Idera, and Cell Genesys. Our success depends upon our ability to develop and maintain a competitive position in the product categories and technologies on which we focus. Many of our competitors have greater capabilities, experience and financial resources than we do. Competition is intense and is expected to increase as new products enter the market and new technologies become available. Our competitors may:

- develop technologies and products that are more effective than ours, making ours obsolete or otherwise noncompetitive;
- obtain regulatory approval for products more rapidly or effectively than us; and
- obtain patent protection or other intellectual property rights that would block our ability to develop competitive products.

We rely on patents, patent applications and other intellectual property protections to protect our technology and trade secrets; which are expensive and may not provide sufficient protection.

Our success depends in part on our ability to obtain and maintain patent protection for technologies that we use. Biotechnology patents involve complex legal, scientific and factual questions and are highly uncertain. To date, there is no consistent policy regarding the breadth of claims allowed in biotechnology patents, particularly in regard to patents for technologies for human uses like those we use in our business. We cannot predict whether the patents we seek will issue. If they do issue, a competitor may challenge them and limit their scope. Moreover, our patents may not afford effective

protection against competitors with similar technology. A successful challenge to any one of our patents could result in a third party's ability to use the technology covered by the patent. We also face the risk that others will infringe, avoid or circumvent our patents. Technology that we license from others is subject to similar risks and this could harm our ability to use that technology. If we, or a company that licenses technology to us, were not the first creator of an invention that we use, our use of the underlying product or technology will face restrictions, including elimination.

If we must defend against suits brought against us or prosecute suits against others involving intellectual property rights, we will incur substantial costs. In addition to any potential liability for significant monetary damages, a decision against us may require us to obtain licenses to patents or other intellectual property rights of others on potentially unfavorable terms. If those licenses from third parties are necessary but we cannot acquire them, we would attempt to design around the relevant technology, which would cause higher development costs and delays, and may ultimately prove impracticable.

Our business requires us to use hazardous materials, which increases our exposure to dangerous and costly accidents.

Our research and development activities involve the use of hazardous chemicals, biological materials and radioactive compounds. Although we believe that our safety procedures for handling and disposing of hazardous materials comply with the standards prescribed by applicable laws and regulations, we cannot completely eliminate the risk of accidental contamination or injury from these materials. In the event of an accident, an injured party will likely sue us for any resulting damages with potentially significant liability. The ongoing cost of complying with environmental laws and regulations is significant and may increase in the future.

Health care reform and restrictions on reimbursement may limit our returns on potential products.

Because Celldex's strategy ultimately depends on the commercial success of our products, we assume, among other things, that end users of our products will be able to pay for them. In the United States and other countries, in most cases, the volume of sales of products like those we are developing depends on the availability of reimbursement from third-party payors, including national health care agencies, private health insurance plans and health maintenance organizations. Third-party payors increasingly challenge the prices charged for medical products and services. Accordingly, if we succeed in bringing products to market, and reimbursement is not available or is insufficient, we could be prevented from successfully commercializing our potential products.

The health care industry in the United States and in Europe is undergoing fundamental changes as a result of political, economic and regulatory influences. Reforms proposed from time to time include mandated basic health care benefits, controls on health care spending, the establishment of governmental controls over the cost of therapies, creation of large medical services and products purchasing groups and fundamental changes to the health care delivery system. We anticipate ongoing review and assessment of health care delivery systems and methods of payment in the United States and other countries. We cannot predict whether any particular reform initiatives will result or, if adopted, what their impact on us will be. However, we expect that adoption of any reform proposed will impair our ability to market products at acceptable prices.

Risks Related to Our Capital Stock

Our history of losses and uncertainty of future profitability make our common stock a highly speculative investment.

We have had no commercial revenues to date from sales of our human therapeutic or vaccine products and cannot predict when we will. We have accumulated net operating losses of approximately

$121.1 million as of December 31, 2008. We expect to spend substantial funds to continue research and product testing of the following products we have in the pre-clinical and clinical testing stages of development:

Product	Use	Stage
CDX-110	Glioblastoma multiforme	Clinical phase 2
CDX-1307	Colorectal, bladder, pancreas, ovarian and breast tumors	Clinical phase 1
CDX-1401	Multiple solid tumors	Pre-clinical
CDX-1127	Immuno-modulation, multiple tumors	Pre-clinical
CDX-1135 (formerly TP10)	Transplantation	Clinical phase 1/2
	Renal disease	Pre-clinical
CDX-1189	Renal disease	Pre-clinical
Ty800 vaccine	Typhoid fever	Clinical phase 2
CDX-2401	HIV infection	Pre-clinical

In anticipation of FDA approval of these products, we will need to make substantial investments to establish sales, marketing, quality control, and regulatory compliance capabilities. These investments will increase if and when any of these products receive FDA approval. We cannot predict how quickly our lead products will progress through the regulatory approval process. As a result, we may continue to lose money for several years.

We cannot be certain that the company will achieve or sustain profitability in the future. Failure to achieve profitability could diminish our ability to sustain operations, pay dividends on our common stock, obtain additional required funds and make required payments on our present or future indebtedness.

If we cannot sell capital stock to raise necessary funds, we may be forced to limit our research, development and testing programs.

We will need to raise more capital from investors to advance our lead products through clinical testing and to fund our operations until we receive final FDA approval and our products begin to generate revenues for us. However, based on our history of losses and the on-going uncertainty of the U.S. capital markets, we may have difficulty raising sufficient capital on terms that are acceptable to us, or at all. As of December 31, 2008, we had cash and cash equivalents of $44.3 million, which, at that time, we believed would support expected operations for more than 12 months.

We continue to seek partnerships with pharmaceutical and biotech companies and with other organizations to support the clinical development of our programs, in addition to funded research grants. This kind of funding is at the discretion of other organizations and companies which have limited funds and many companies compete with us for those funds. As a result, we may not receive any research grants or funds from collaborators. If we are unable to raise the necessary funds, we may have to delay or discontinue the clinical development of programs, license out programs earlier than expected, raise funds at significant discount or on other unfavorable terms, if at all, or evaluate a sale of all or part of our business.

Until the Company begins generating revenue, it may seek funding through the sale of equity, or securities convertible into equity, and further dilution to the then existing stockholders may result. If the Company raises additional capital through the incurrence of debt, its business may be affected by the amount of leverage it incurs, and its borrowings may subject it to restrictive covenants.

Our share price has been and could remain volatile.

The market price of our common stock has historically experienced and may continue to experience significant volatility. From January 2008 through December 2008, the market price of our common stock has fluctuated from a high of $19.79 per share in the second quarter of 2008, to a low of $4.24 per share in the fourth quarter of 2008. Our progress in developing and commercializing our products, the impact of government regulations on our products and industry, the potential sale of a large volume of our common stock by selling stockholders, our quarterly operating results, changes in general conditions in the economy or the financial markets and other developments affecting us or our competitors could cause the market price of our common stock to fluctuate substantially with substantial market losses occurring over the past year. In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has affected the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the price of our common stock. In addition, we could be subject to a securities class action litigation as a result of volatility in the price of our stock, which could result in substantial costs and diversion of management's attention and resources and could harm our stock price, business, prospects, results of operations and financial condition.

If our principal stockholders sell shares of common stock in large volumes, the trading price of our common stock could suffer.

If our principal stockholders sell a substantial number of shares of common stock, especially if those sales are made during a short period of time, those sales could adversely affect the market price of our common stock and could impair our ability to raise capital. As of February 20, 2009, Medarex, Inc. owned approximately 31.4% of our outstanding common stock, Apax WW Nominees Ltd. owned approximately 8.8%, and Pfizer Vaccines owned approximately 4.9%. Our officers and directors, and their affiliates, beneficially owned approximately 6.86% of our common stock as of February 20, 2009. Of our largest stockholders, only Medarex is subject to a "lock-up" agreement pursuant to which it has agreed not to sell shares of common stock, which, unless extended, expires on March 7, 2009. There can be no assurances that the Medarex lock-up will be extended.

Our principal stockholders, officers and directors own a large percentage of our voting stock and could exert significant influence over matters requiring stockholder approval.

As of February 20, 2009, Medarex, Inc., Apax WW Nominees Ltd., Pfizer Vaccines and our officers and directors, together beneficially owned approximately 52% of our common stock. Accordingly, these stockholders will be able to exert significant influence over matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other business combinations. This concentration could have the effect of delaying or preventing a change in control of the company.

The combined company's ability to use the net operating loss carryforwards of the Company and its subsidiaries will be subject to limitation and, under certain circumstances, may be eliminated.

Generally, a change of more than 50% in the ownership of a corporation's stock, by value, over a three-year period constitutes an ownership change under Section 382 of the Internal Revenue Code. In general, Section 382 imposes an annual limitation on a corporation's ability to use its net operating losses from taxable years or periods ending on or before the date of an ownership change to offset U.S. federal taxable income in any post-change year. The Company and its subsidiaries have experienced an ownership change as a result of the Merger, in which case the combined company may be subject to the limitation under Section 382 with respect to pre-change net operating losses of the Company and its subsidiaries. Section 382 imposes significant limitations of the use of net operating loss carryforwards.

Moreover, if a corporation experiences an ownership change and does not satisfy the requirement to continue the business enterprise of the corporation under Section 382(c)(1) (which generally requires that the corporation continue its historic business or use a significant portion of its historic business assets in a business for the two-year period beginning on the date of the ownership change), it cannot, subject to certain exceptions, use any net operating loss from a pre-change period to offset taxable income in post-change years. As a result of the rules described above, the extent (if any) to which the combined company will be able to utilize the net operating losses from any pre-change period to offset taxable income (and thus reduce tax liability) for post-change periods is uncertain.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

In November 2005, we entered into a lease amendment which extended our lease in Needham, Massachusetts through April, 2017. The lease amendment called for the complete renovation of the Needham facility by the landlord and Celldex, which was completed in 2007, and reduced our leased space to approximately 35,200 square feet of laboratory and office space. Under this lease amendment, we are obligated to pay an escalating base annual rent ranging from $879,700 to $1,161,200 during the extension term. Aggregate rental payments including common area maintenance costs for the years ended December 31, 2008 and 2007 for this facility were $1,437,040 and $1,911,088, respectively.

Celldex leases approximately 20,000 square feet of office and laboratory space in Phillipsburg, New Jersey. The lease has an initial sixty-four month term which expires in August 2011. Under the lease agreement, we are obligated to pay an annual rent of approximately $347,700 plus certain common area maintenance costs. The landlord provided a tenant incentive allowance of approximately $178,600 against the cost of alterations and improvements required by Celldex. Aggregate rental payments including common area maintenance costs for the years ended December 31, 2008 and 2007 for this facility were $370,652 and $347,652, respectively.

We also lease a manufacturing facility of approximately 21,000 square feet in Fall River, Massachusetts. The lease has an initial seven-year term which expires in December 2010. Under the lease agreement and subsequent lease amendments, we are obligated to pay an annual rent of approximately $305,500 plus certain common area maintenance costs, subject to annual rent adjustments in the final two years. Aggregate rental payments including common area maintenance costs for the years ended December 31, 2008 and 2007 for this facility were $390,664 and $366,654, respectively.

The Company ceased operations at its Overland, Missouri facility near St. Louis and vacated the premises upon expiration of the lease term at September 30, 2007.

Item 3. LEGAL PROCEEDINGS

Celldex is not currently a party to any material legal proceedings.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Effective October 1, 2008, the Company changed its name from AVANT Immunotherapeutics, Inc. to Celldex Therapeutics, Inc. and our common stock began trading on the NASDAQ Global Market (the "NASDAQ") under the symbol "CLDX". Prior to that date and after August 24, 1998, we were traded on NASDAQ under the symbol "AVAN". Prior to the August 24, 1998 date, we were traded on NASDAQ under the symbol "TCEL". The following table sets forth for the periods indicated the high and low closing sales prices for our common stock as reported by NASDAQ. The numbers below reflect the 1-for-12 reverse stock split effected on March 7, 2008.

Fiscal Period	High	Low
Year Ended December 31, 2007		
1Q (Jan. 1 - March 31, 2007)	$18.60	$15.36
2Q (April 1 - June 30, 2007)	17.76	8.88
3Q (July 1 - Sept. 30, 2007)	11.16	4.80
4Q (Oct. 1 - Dec. 31, 2007)	9.48	4.80
Year Ended December 31, 2008		
1Q (Jan. 1 - March 31, 2008)	$ 9.91	$ 5.64
2Q (April 1 - June 30, 2008)	19.79	9.55
3Q (July 1 - Sept. 30, 2008)	16.98	9.67
4Q (Oct. 1 - Dec. 31, 2008)	12.69	4.24

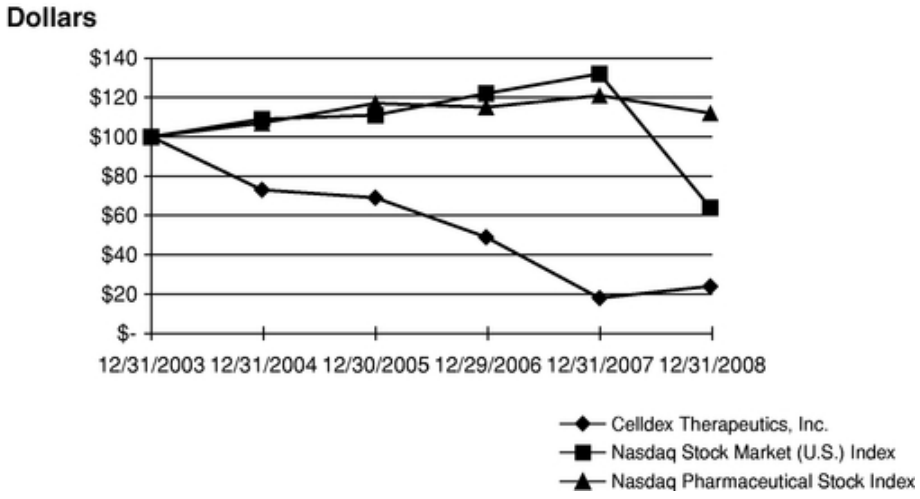
As of February 20, 2009, there were approximately 634 shareholders of our common stock. The price of the common stock was $7.95 as of the close of the market on February 20, 2009. We have not paid any dividends on our common stock since our inception and do not intend to pay any dividends in the foreseeable future. Declaration of dividends will depend, among other things, upon our operating and future earnings, our capital requirements and general business conditions.

Sales of Unregistered Equity Securities in the Quarter Ended December 31, 2008

In October 2008, the Company, in settlement of 50% of a sublicense fee due to Duke University in connection with the $40 million license fee received from Pfizer and as permitted under the license agreement with Duke, issued to Duke 81,512 shares of the Company's $.001 par value common stock having an aggregate market value of $1,182,587, or $14.51 per share.

CELLDEX THEAPEUTICS, INC., NASDAQ MARKET INDEX-U.S. AND PEER GROUP INDICES

The graph below compares the cumulative total stockholder return on the common stock for the period from December 31, 2003 through December 31, 2008, with the cumulative return on (i) NASDAQ Market Index—U.S. Companies and (ii) NASDAQ Pharmaceutical Index. The comparison assumes investment of $100 on December 31, 2003 in our common stock and in each of the indices and, in each case, assumes reinvestment of all dividends.



	12/31/03	12/31/04	12/30/05	12/29/06	12/31/07	12/31/08
Celldex Therapeutics, Inc.	$ 100	$ 73	$ 69	$ 49	$ 18	$ 24
NASDAQ Stock Market (U.S.) Index	$ 100	$ 109	$ 111	$ 122	$ 132	$ 64
NASDAQ Pharmaceutical Stock Index	$ 100	$ 107	$ 117	$ 115	$ 121	$ 112

See Item 11 for information regarding our equity compensation plan.

Item 6. SELECTED CONSOLIDATED FINANCIAL DATA

Selected consolidated financial data is presented below for the years ended December 31, 2008, 2007, 2006, 2005, and 2004. On March 7, 2008, the merger between AVANT and Celldex became effective. The merger was accounted for using the purchase method of accounting and was treated as the acquisition of AVANT, a publicly registered company, by Celldex, a private company. Accordingly, the financial information presented below for periods prior to March 8, 2008 reflects the financial position and the results of operations of Celldex alone, and for periods from March 8, 2008 forward the combined financial position and combined results of operations of AVANT and Celldex. AVANT Immunotherapeutics, Inc. changed its name to Celldex Therapeutics, Inc. on October 1, 2008. All amounts are in thousands except per share data.

CONSOLIDATED STATEMENTS OF OPERATIONS DATA

	2008	2007	2006(2)	2005	2004
REVENUE:					
Product Development and Licensing	$ 3,716	$ 466	$ 466	$ 14	$ —
Contracts and Grants	533	940	433	57	—
Product Sales and Royalty	3,207	—	—	—	—
Total Revenue	7,456	1,406	899	71	—
OPERATING EXPENSE:					
Research and Development	26,347	9,892	10,013	4,826	4,480
Acquired In-Process Research and Development(3)	14,756	—	—	8,447	—
Other Operating Expense	15,109	7,022	9,681	4,167	1,586
Total Operating Expense	56,212	16,914	19,694	17,440	6,066
Investment and Other Income, Net	1,255	435	960	290	—
Net Loss	$ (47,501)	$ (15,073)	$ (17,835)	$ (17,079)	$ (6,066)
Basic and Diluted Net Loss Per Common Share	$ (3.34)	$ (1.81)	$ (2.15)	$ (3.00)	$ (1.22)
Weighted Average Common Shares Outstanding(1)	14,217	8,309	8,279	5,699	4,961

(1) Weighted average common shares outstanding for the years 2004 to 2007 have been adjusted to reflect the Merger exchange ratio and a reverse stock split of 1-for-12 effective March 7, 2008.

(2) As discussed in Note 3 to the consolidated financial statements, the Company changed the manner in which it accounts for stock-based compensation in 2006.

(3) The 2008 amount arose as a result of the merger between AVANT and Celldex. The 2005 amount arose from the acquisition of Lorantis Limited.

CONSOLIDATED BALANCE SHEET DATA

	2008	2007	2006	2005	2004
Working Capital	$ 32,975	$ (4,438)	$ 12,178	$ 24,852	$ (467)
Total Assets	69,793	9,375	22,163	33,133	1,283
Long Term Liabilities	37,558	370	914	1,152	—
Accumulated Deficit	(121,149)	(73,648)	(58,575)	(40,739)	(23,660)
Total Stockholders' Equity (Deficit)	18,134	(1,132)	15,144	28,007	816

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements contained in the following, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, that are not historical facts may be forward-looking statements that are subject to a variety of risks and uncertainties. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "will," "can," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "seek," "estimate," "continue," "plan," "point to," "project," "predict," "could," "intend," "target," "potential" and other similar words and expressions of the future.

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

- our ability to raise sufficient capital on terms acceptable to us, or at all;
- our ability to adapt our APC Targeting Technology™ to develop new, safe and effective vaccines against oncology and infectious disease indications;
- our ability to adapt our vectoring systems to develop new, safe and effective orally administered vaccines against disease causing agents;
- our ability to successfully complete product research and further development, including animal, preclinical and clinical studies, and commercialization of CDX-110, CDX-1307, Ty800, CDX-1135 (formerly TP10), and other products and the growth of the markets for those product candidates;
- the cost, timing, scope and results of ongoing safety and efficacy trials of CDX-110, CDX-1307, Ty800, CDX-1135 (formerly TP10), and other preclinical and clinical testing;
- the ability to negotiate strategic partnerships or other disposition transactions for our non-core programs, including CETi;
- our ability to manage multiple clinical trials for a variety of product candidates at different stages of development;
- the strategies and business plans of our partners, such as Pfizer's plans for CDX-110, GlaxoSmithKline's plans with respect to Rotarix® and Vaccine Technologies' plans concerning the CholeraGarde® (Peru-15) and ETEC E. coli vaccines, which are not within our control, and our ability to maintain strong, mutually beneficial relationships with those partners;
- our ability to develop technological capabilities and expand our focus to broader markets for vaccines;
- the availability, cost, delivery and quality of clinical and commercial grade materials produced our own manufacturing facility or supplied by contract manufacturers and partners;
- the timing, cost and uncertainty of obtaining regulatory approvals for product candidates;
- our ability to develop and commercialize products before competitors that are superior to the alternatives developed by such competitors;

- the validity of our patents and our ability to avoid intellectual property litigation, which can be costly and divert management time and attention; and

- the factors listed under "Risk Factors" in this annual report on Form 10-K.

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.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, the terms "we," "us," "our," the "Company", or "Celldex" refer to Celldex Therapeutics, Inc., a Delaware corporation organized in 1983 (formerly known as AVANT Immunotherapeutics, Inc.) and its subsidiaries: Celldex Research Corporation ("Celldex Research"), Celldex Therapeutics, Ltd. ("Celldex Ltd") and Megan Health, Inc. ("Megan"). The Company's principal activity since our inception has been research and product development conducted on our own behalf, as well as through joint development programs with several pharmaceutical companies and other collaborators. The Company changed its name from AVANT Immunotherapeutics, Inc. to Celldex Therapeutics, Inc. on October 1, 2008.

OVERVIEW

We are a biopharmaceutical company that uses novel applications of immunology to develop products for the prevention and treatment of diseases. Using our Precision Targeted Immunotherapy Platform, we are developing a broad portfolio of vaccines, therapeutic antibodies and other targeted immunotherapeutics addressing a wide range of applications including oncology, inflammatory and infectious diseases. These include therapeutic cancer vaccines, monoclonal antibodies, single-dose, oral vaccines that protect against important disease-causing infectious agents and a treatment to reduce complement-mediated tissue damage. We are advancing a robust pipeline of clinical and preclinical product candidates, the most advanced of which are for treatment of various cancers. Our lead programs are therapeutic cancer vaccines designed to instruct the patient's immune system to recognize and destroy cancer cells.

Our strategy is to demonstrate proof-of-concept for our product candidates before leveraging their value through partnerships or, in appropriate situations, continuing late stage development ourselves. Demonstrating proof-of-concept for a product candidate generally involves bringing it through Phase 1 clinical trials and one or more Phase 2 clinical trials so that we are able to demonstrate, based on human trials, good safety data for the product candidate and some data indicating its effectiveness. Our current collaborations encompass the commercialization of an oral human rotavirus vaccine, the development of oral cholera, typhoid fever, ETEC and HIV vaccines, and a therapeutic brain cancer vaccine. Our product candidates address large market opportunities for which we believe current therapies are inadequate or non-existent.

We are targeting our efforts where we can add the greatest value to the development of our products and technologies. Our goal is to demonstrate clinical proof-of-concept for each product, and then seek excellent partners to help see those products through to commercialization. We thus leverage the value of its technology portfolio through corporate, governmental and non-governmental 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.

Merger between AVANT and Celldex

On March 7, 2008, we closed the merger (the "Merger") contemplated by the Agreement and Plan of Merger dated October 19, 2007 by and among Celldex (formerly AVANT Immunotherapeutics, Inc.), Callisto Merger Corporation ("Merger Sub"), a wholly owned subsidiary of Celldex, and Celldex Research (formerly Celldex Therapeutics, Inc.) (the "Merger Agreement"). Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Celldex Research, with Celldex Research as the surviving company and a wholly-owned subsidiary of the Company. The total value of the transaction was approximately $75 million. Approximately 8.7 million shares were issued to the former Celldex Research shareholders in connection with the Merger. The Merger created a NASDAQ-listed, fully-integrated and diversified biopharmaceutical company with a deep pipeline of product candidates

addressing high-value indications including oncology, infectious and inflammatory diseases. Former Celldex Research and former AVANT shareholders owned 58% and 42% of the combined company on a fully diluted basis, respectively.

Our board of directors approved a 1-for-12 reverse stock split of the Company's common stock, which became effective on March 7, 2008. As a result of the reverse stock split, each twelve shares of common stock were combined and reclassified into one share of common stock and the total number of shares outstanding was reduced from approximately 180 million shares (including the shares issued to former Celldex Research stockholders in the Merger) to approximately 15 million shares.

The Merger was accounted for using the purchase method of accounting and was treated as an acquisition by Celldex Research of Celldex (then AVANT), with Celldex Research being considered the accounting acquirer based on the application of criteria specified in Statement of Financial Accounting Standards "SFAS" No. 141, *Business Combinations*, ("SFAS 141"), even though Celldex (then AVANT) was the issuer of common stock and the surviving legal entity in the transaction. Under the purchase method of accounting, the purchase price was allocated to the acquired tangible and identifiable intangible assets and assumed liabilities, based upon their fair value at the date of acquisition, as follows:

Tangible assets acquired	$34,959,482
Less: Liabilities assumed	(3,945,067)
Net tangible assets acquired	31,014,415
Intangible assets acquired:	
Core Technology	897,249
Developed Technology	273,796
Strategic Partner Agreement	629,499
In-Process Research and Development ("IPR&D")	14,755,908
Total	$47,570,867

The values assigned to the intangible assets acquired, including the IPR&D, were determined based on fair market value using a risk adjusted discounted cash flow approach. Fair values for long-term tangible and intangible assets and for IPR&D were then reduced by $6,041,597 of negative goodwill. The Company is a biotechnology enterprise and its resources are substantially devoted to research and development at the date of the Merger. Management is responsible for determining the fair value of the acquired IPR&D.

The values assigned to IPR&D relate to the development of a typhoid-ETEC-cholera combination travelers vaccine, a cholesterol management vaccine, and the CDX-1135 (formerly TP10) complement inhibitor in the amounts of $7.8 million, $0.9 million and $6 million, respectively. Each of these three significant research and development projects in-process were valued through detailed analysis of product development data concerning the stage of development, time and resources needed to complete the project, expected income-generating ability and associated risks. The value of IPR&D was determined by estimating the costs to develop the purchased in-process technology into commercially viable products, estimating the net cash flows from such projects and discounting the net cash flows back to their present values. The probability of success and discount rates used for each project take into account the uncertainty surrounding the successful development and commercialization of the purchased in-process technology. We expect to incur approximately $16.2 million to move these projects to the point of out-licensing them to third parties. The estimated revenues from the typhoid-ETEC-cholera vaccine, the cholesterol management vaccine, and CDX-1135 are expected to be generated beginning in 2014, 2015 and 2014, respectively. A discount rate of 29% was used to value these projects, which we believe to be commensurate with the stage of development and the uncertainties in the economic estimates described above. The resulting net cash flows for these projects

were based on management's best estimates of revenue, cost of sales, research and development costs, selling, general and administrative costs, and income taxes for each project and the net cash flows reflect assumptions that would be used by market participants.

The significant assumptions underlying the valuations included potential revenues, costs of completion, the timing of product approvals and the selection of appropriate probability of success and discount rates. None of the Company's IPR&D projects have reached technological feasibility nor do they have any alternative future use. Consequently, in accordance with current U.S. GAAP, the fair value allocated to IPR&D was charged as an expense in the Company's consolidated financial statements as of the date of acquisition. The remaining acquired intangible assets arising from the acquisition are being amortized on a straight line basis over their estimated lives, which range from 4.5 to 8 years.

As of December 31, 2008, the technological feasibility of the projects had not yet been reached and no significant departures from the assumptions included in the valuation analysis had occurred. Substantial additional research and development will be required prior to reaching technological feasibility. In addition, each product needs to successfully complete a series of clinical trials and to receive FDA or other regulatory approval prior to commercialization. The Company is also dependent upon the activities of its collaborators in developing, manufacturing and marketing its products. There can be no assurance that these projects will ever reach feasibility or develop into products that can be marketed profitably, nor can there be assurance that the Company and its collaborators will be able to develop, manufacture and commercialize these products before the Company's competitors. If these products are not successfully developed and do not become commercially viable, the Company's financial condition and results of operations could be materially affected. See Note 17 to the Company's consolidated financial statements for additional information.

Because Celldex Research was determined to be the acquirer for accounting purposes, the historical financial statements of Celldex Research became the historical financial statements of the Company. Accordingly, the financial statements of the Company prior to the Merger reflect the financial position, results of operations and cash flows of Celldex Research, which, during the historical periods presented in the accompanying consolidated financial statements, was majority-owned by Medarex, Inc. ("Medarex"). Following the Merger, the financial statements of the current period reflect the financial position, results of operation and cash flows of the Company. The results of operations of AVANT are included in the results of operations of the Company beginning March 8, 2008. Accordingly, except as otherwise discussed below, this report reflects the financial condition, results of operations and liquidity of the combined companies at December 31, 2008 and historically of Celldex Research on a stand-alone basis for all periods prior to March 8, 2008. The financial condition, results of operations and liquidity of the Company as of the years ended December 31, 2008, 2007 and 2006 may not be indicative of the Company's future performance or reflect what the Company's financial conditions, results of operations and liquidity would have been had the Merger been consummated as of January 1, 2006, or had the Company operated as a separate, stand-alone entity during the periods presented.

Other Acquisitions

In October 2005, Celldex Research completed the acquisitions of Lorantis Limited ("Lorantis") and Alteris Therapeutics, Inc. ("Alteris"). Celldex Research issued approximately 2.8 million shares of its Class A common stock (valued at $34.0 million) in exchange for all of the issued and outstanding shares of capital stock of Lorantis. Net assets acquired included approximately $31.1 million in cash, $2.7 million of fixed assets, a working capital deficit of $723,000 and $870,000 of in-process research and development ("IPR&D"), which was expensed in 2005. In addition, Celldex Research incurred approximately $671,000 of costs related to the acquisition of Lorantis, which were expensed to IPR&D

in 2005. As of December 31, 2008, none of the acquired research and development projects had reached technological feasibility.

The purchase price for the Alteris assets consisted of approximately 496,100 shares of Celldex Research common stock (valued at $6.0 million) and approximately $1.5 million in cash. Net assets acquired included approximately $6,000 of fixed assets, $1.3 million in acquired intangible assets and $6.2 million of IPR&D, which was expensed in 2005. In addition, Celldex Research incurred approximately $708,000 of costs related to the acquisition of Alteris, which were expensed to IPR&D in 2005. Celldex may be required to pay Alteris up to $5.0 million upon obtaining the first approval for commercial sale of an EGFRvIII product. As of December 31, 2008, none of the acquired research and development projects had reached technological feasibility.

RESEARCH AND DEVELOPMENT ACTIVITIES

Our products are derived from a broad set of complementary technologies which have the ability to utilize the human immune system and enable the creation of preventative and therapeutic agents. We are using these technologies to develop vaccines and targeted immunotherapeutics that prevent or treat cancer and disease caused by infectious organisms, and treatment vaccines that modify undesirable activity by the body's own proteins or cells. A number of our immunotherapeutic and vaccine product candidates are in various stages of clinical trials. We expect that a large percentage of our research and development expenses will be incurred in support of our current and future clinical trial programs.

The expenditures that will be necessary to execute Celldex's business plan are subject to numerous uncertainties. Completion of clinical trials may take several years or more, and the length of time generally varies substantially according to the type, complexity, novelty and intended use of a product candidate. It is not unusual for the clinical development of these types of product candidates to each take five years or more, and for total development costs to exceed $100 million for each product candidate. Celldex estimates 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 product candidate.

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

An element of Celldex's business strategy is to pursue the research and development of a broad portfolio of product candidates. This is intended to allow Celldex to diversify the risks associated with its research and development expenditures. As a result, Celldex believes its future capital requirements

and its future financial success are not substantially dependent on any one product candidate. To the extent Celldex is unable to maintain a broad range of product candidates, Celldex's dependence on the success of one or a few product candidates increases.

Celldex's product candidates also have not yet received FDA regulatory approval, which is required before Celldex can market them as therapeutic or vaccine products. In order to proceed to subsequent clinical trial stages and to ultimately achieve regulatory approval, the FDA must conclude that Celldex's clinical data establish safety and efficacy. 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, biologics and vaccines have shown promising results in early clinical trials, but subsequently failed to establish sufficient safety and efficacy data to obtain necessary regulatory approvals.

Furthermore, Celldex's business strategy includes the option of entering into collaborative arrangements with third parties to complete the development and commercialization of Celldex's product candidates. In the event that third parties take over the clinical trial process for one of Celldex's product candidates, the estimated completion date would largely be under control of that third party rather than Celldex. Celldex 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 Celldex's development plan or capital requirements. Celldex's programs may also benefit from subsidies, grants, contracts or government or agency-sponsored studies that could reduce Celldex's development costs.

As a result of the uncertainties discussed above, among others, Celldex is unable to estimate the duration and completion costs of its research and development projects or when, if ever, and to what extent it will receive cash inflows from the commercialization and sale of a product. Celldex's inability to complete its research and development projects in a timely manner or its failure to enter into collaborative agreements, when appropriate, could significantly increase its capital requirements and could adversely impact its liquidity. These uncertainties could force Celldex to seek additional, external sources of financing from time to time in order to continue with its business strategy. Celldex's inability to raise additional capital, or to do so on terms reasonably acceptable to it, would jeopardize the future success of its business. During the past five years through the end of 2008, Celldex incurred an aggregate of $55.7 million in research and development costs. During the year ended December 31, 2008, Celldex incurred an aggregate of $26.3 million in research and development costs.

CURRENT PROGRAMS AND PARTNERSHIPS

Technology	Product	Indication/Field	Partner	Status
ONCOLOGY	CDX-110	Glioblastoma multiforme	Pfizer	Phase 2b
	CDX-1307	Colorectal, bladder, pancreas, ovarian and breast tumors	—	Phase 1
	CDX-1401	Multiple Solid Tumors	—	Pre-clinical
	CDX-1127	Immuno-modulation, multiple tumors	—	Pre-clinical
INFLAMMATORY DISEASE	CDX-1135 (formerly TP10)	Transplantation	—	Phase 1/2
		Renal disease	—	Pre-clinical
	CDX-1189	Renal disease	—	Pre-clinical
INFECTIOUS DISEASE	CholeraGarde®	Cholera	Vaccine Technologies/IVI	Phase 2b
	Ty800	Typhoid fever	NIH	Phase 2
	ETEC	Enterotoxigenic *E coli* infection	Vaccine Technologies/NIH	Phase 1
	CDX-2401	HIV infection	Rockefeller University	Pre-clinical
MARKETED PRODUCTS	Rotarix®	Rotavirus infection	GlaxoSmithKline	Marketed

PROGRAM DEVELOPMENTS

A. Cancer Vaccine Development Programs

CDX-110: Our lead clinical development program, CDX-110, is a peptide-based immunotherapy that targets the tumor specific molecule called EGFRvIII, a functional variant of the naturally expressed epidermal growth factor receptor ("EGFR"), a protein which has been well validated as a target for cancer therapy. Unlike EGFR, EGFRvIII is not present in normal tissues, and has been shown to be a transforming oncogene that can directly contribute to the cancer cell growth.

EGFRvIII is commonly present in glioblastoma multiforme, or GBM, the most common and aggressive form of brain cancer, and has also been observed in various other cancers such as breast, ovarian, prostate, colorectal, and head & neck cancer. With our partner, Pfizer Inc. ("Pfizer"), we are currently pursuing the development of CDX-110 for GBM therapy and plan to expand the clinical development into other cancers through additional clinical studies.

Initial clinical development of EGFRvIII immunotherapy was led by collaborating investigators at the Brain Center at Duke Comprehensive Cancer Center in Durham, North Carolina and at M.D. Anderson Cancer Center in Houston, Texas. The results from the Phase 1 (VICTORI) and Phase 2a (ACTIVATE) studies, which enrolled 16 and 21 patients, respectively, have demonstrated a significant increase in the time to disease progression (greater than 113%) in the patients who were vaccinated, and also in overall survival rates (greater than 100%), both relative to appropriately matched historical controls. An extension of the Phase 2a program (ACT II) at the same two institutions has enrolled 23 additional GBM patients treated in combination with temozolomide (the current standard of care). Preliminary results from this study (ACT II) currently estimates median overall survival to be 33.1 months, although the median has not yet been reached. The survival of a matched historical control group was 14.3 months and a subgroup treated with temozolomide (TMZ) of 15.2 months, with a p value = 0.0078. Overall time to progression for CDX-110 was 16.6 months compared with 6.4 months for the historical control group.

In May 2007, we initiated a Phase 2b/3 randomized study (ACT III) of CDX-110 combined with standard of care, temozolomide, versus standard of care alone in patients with GBM. We intend to open a total of over 30 sites in the United States for the study. The FDA has granted orphan drug designation for CDX-110 for the treatment of EGFRvIII expressing GBM as well as fast track designation.

In December 2008, we announced an amendment to convert the ACT III study to a single-arm Phase 2 clinical trial in which all patients will receive CDX-110 in combination with temozolomide and we will continue to enroll to approximately 60 patients. The decision, which follows the recommendation of the Independent Data Monitoring Committee, was based on the observation that the majority of patients randomized to the control (standard of care) arm withdrew from this open-label study after being randomized to the control arm. Patients currently participating on the control arm of the study will be offered the option to receive treatment with CDX-110. Under this amendment, the ACT III study will provide a multi-center, non-randomized dataset for CDX-110 in patients with newly diagnosed GBM. These data will provide important additional information that can be used to better design the future development of CDX-110.

On April 16, 2008, the Company and Pfizer entered into a License and Development Agreement (the "Pfizer Agreement") under which Pfizer was granted an exclusive worldwide license to CDX-110. The Pfizer Agreement also gives Pfizer exclusive rights to the use of EGFRvIII vaccines in other potential indications. Under the Pfizer Agreement, Pfizer made an upfront payment to the Company of $40 million and made a $10 million equity investment in the Company. Pfizer will fund all development costs for these programs. The Company is also eligible to receive potential milestone payments exceeding $390 million for the successful development and commercialization of CDX-110 and additional EGFRvIII vaccine products, as well as royalties on any product sales. The Pfizer Agreement

became effective after clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) on May 19, 2008.

CDX-1307: The Company's lead APC Targeting Technology™ product candidate, CDX-1307, is in development for the treatment of epithelial tumors such as colorectal, pancreatic, bladder, ovarian and breast cancers. CDX-1307 targets the beta chain of human chorionic gonadotropin, known as hCG-Beta, which is an antigen often found in epithelial tumors. The presence of hCG-Beta in these cancers correlates with a poor clinical outcome, suggesting that this molecule may contribute to tumor growth. Normal adult tissues have minimal expression of hCG-Beta; therefore, targeted immune responses are not expected to generate significant side effects.

Celldex is completing two Phase 1 studies at multiple centers that are designed to explore safety and dose/effect relationships via two administration routes —intradermal (ID), a traditional vaccine route that allows efficient access to local dermal dendritic cells and intravenous (IV), a novel systemic approach to vaccination that might target a much larger population of dendritic cells. In both studies, there are dose escalations of CDX-1307 alone and CDX-1307 with the adjuvant GM-CSF (known to increase mannose receptor expression on dendritic cells). At the highest dose levels planned, additional immune system modulators (Toll-Like Receptor Agonists, or TLR agonists) have been added to determine what effect they have in augmenting an immune response. Patients with an assortment of different tumor types that are known to express hCG-Beta are being accrued with retrospective analysis for hCG-Beta expression. A four dose regimen is utilized with the possibility of retreatment if patients demonstrate tumor regression or stable disease.

Over fifty (50) patients with epithelial cancers have been treated in the Phase 1 clinical trials and more than half have evidence of hCG-Beta expression by their tumor. The immunotherapy has been well tolerated with only minor adverse events observed (reddening at the injection site). Analysis of the initial cohorts with GM-CSF have revealed that several patients developed good humoral responses to hCG-Beta, and some have demonstrated enhancement of circulating hCG-Beta-specific CD8 T cells. Thus, we are encouraged that CDX-1307 is providing similar results as predicted in the pre-clinical studies. In addition, one patient with pancreatic cancer had a 26% overall reduction in tumor burden and two breast cancer patients were stable for six months during treatment. The investigators at the Duke Comprehensive Cancer Center were awarded a two year $500,000 grant from the Avon Foundation and the National Cancer Institute to support Phase 1 work in breast cancer. The safety of CDX-1307 in combination with defined immune system modulators is now being evaluated with intent to enter Phase 2 clinical research in the second half of 2009.

CDX-1401: CDX-1401 is a fusion protein consisting of a fully human monoclonal antibody with specificity for the dendritic cell receptor, DEC-205, linked to the NY-ESO-1 tumor antigen. In humans, NY-ESO-1 is one of the most immunogenic tumor antigens and has been detected in 20-30% of cancers, thus representing a broad opportunity. This product is intended to selectively deliver the NY-ESO-1 antigen to APCs for generating robust immune responses against cancer cells expressing NY-ESO-1. Unlike CDX-1307, which targets the mannose receptor expressing dendritic cells, CDX-1401 is the first APC product targeting DEC-205 expressing dendritic cells. We are developing CDX-1401 for the treatment of malignant melanoma and a variety of solid tumors which express the proprietary cancer antigen NY-ESO-1, which the Company licensed from the Ludwig Institute for Cancer Research in 2006. The Company believes that preclinical studies have shown that CDX-1401 is effective for activation of human T-cell responses against NY-ESO-1. The IND filing is planned for the first half of 2009. We expect to be able to enter a Phase 1 study with a combination regimen, including TLRs, and will accrue multiple tumors that express NY-ESO-1.

CDX-1127: Celldex has entered into a License Agreement with the University of Southampton, UK, to develop human antibodies to CD27, a potentially important target for immunotherapy of various cancers. In pre-clinical models, antibodies to CD27 alone have been shown to mediate

anti-tumor effects, and may be particularly effective in combination with other immunotherapies. CD27 is a critical molecule in the activation pathway of lymphocytes. It is downstream from CD40, and may provide a novel way to regulate the immune responses. Engaging CD27 with the appropriate monoclonal antibody has proven highly effective at promoting anti-cancer immunity in mouse models. We are currently evaluating new human monoclonal antibodies in pre-clinical models.

B. Inflammatory Disease Development Programs

CDX-1135 (formerly TP10): We have been developing immunotherapeutics that inhibit a part of the immune system called the complement system. The complement system is a series of proteins that are important initiators of the body's acute inflammatory response against disease, infection and injury. Excessive complement activation also plays a role in some persistent inflammatory conditions. Our lead compound, CDX-1135, a soluble form of naturally occurring Complement Receptor 1, has effectively shown to inhibit the activation of the complement cascade in animal models and in human clinical trials. We believe that regulating the complement system could have therapeutic and prophylactic applications in several acute and chronic conditions, including organ transplantation, multiple sclerosis, rheumatoid arthritis, age-related macular degeneration ("AMD"), atypical Hemolytic Uremic Syndrome and myasthenia gravis. We are currently defining the most appropriate clinical development path for CDX-1135 and are focusing on rare disease conditions of unregulated complement activation as the fastest route to FDA approval.

CDX-1189: Celldex is developing therapeutic human antibodies to a signaling molecule known as CD89 or Fca receptor type I (FcaRI). CD89 is expressed by some white blood cells and leukemic cell lines, and has been shown to be important in controlling inflammation and tumor growth in animal models. Celldex has proprietary, fully human antibodies to CD89 in preclinical development. Depending upon the specific antibody used, anti-CD89 antibodies can either be activating and thus stimulate immune responses, or down-regulating and act as an anti-inflammatory agent.

C. Infectious Disease Development Programs

CholeraGarde® Vaccine: CholeraGarde® is designed to be a safe, effective single-dose, oral cholera vaccine. Our partner, the International Vaccine Institute ("IVI"), has received $21 million in funding from the Bill & Melinda Gates Foundation for a Cholera Vaccine Initiative ("CHOVI"), includes conducting further clinical trials of CholeraGarde®. The IVI is presently conducting a Phase 2 clinical trial of CholeraGarde in Bangladesh, with plans to sponsor additional Phase 2 studies in India and Thailand beginning in the first half of 2009, followed by Phase 3 field studies.

ETEC Vaccine: In November 2007, we entered into an agreement with the Division of Microbiology and Infectious Diseases of the NIAID, whereby NIAID is sponsoring a Phase 1 study of Celldex's investigational single-dose, oral vaccine designed to offer combined protection against both enterotoxigenic *Escherichia coli* (ETEC) and cholera. In June 2008, NIAID initiated the Phase 1 trial of the ETEC vaccine candidate at Cincinnati Children's Hospital Medical Center.

In January 2009, we entered into an Exclusive License and Development Agreement with Vaccine Technologies, Inc. ("VTI"). Under the license agreement, Celldex has granted a worldwide fee- and royalty-bearing exclusive license to VTI to development and commercialize Celldex's CholeraGarde® and ETEC vaccine programs. Financial terms of the agreement with VTI include an upfront license fee, milestone payments and royalties on net sales of licensed products during the term of the agreement.

Ty800 Typhoid Fever Vaccine: The Company has developed an oral vaccine to offer rapid, single-dose protection against *Salmonella typhi*, the cause of typhoid fever. Ty800 is targeted for both the travelers' market and global health needs. In 2006, the National Institute of Allergy and Infectious Disease ("NIAID") of the National Institutes of Health ("NIH") initiated a Phase 1/2 in-patient

dose-ranging clinical trial aimed at demonstrating the safety and immunogenicity of the Ty800 typhoid fever vaccine. NIAID funded the production of Ty800 vaccine for clinical testing and completed the Phase 1/2 trial at a NIH-funded clinical site in 2007. Results showed the single-dose, oral vaccine to be well tolerated and immunogenic, with over 90% of vaccinated subjects generating immune responses. We initiated our own sponsored Phase 2 trial of Ty800 in July 2007. Preliminary results reported in April 2008 from the study showed that the single-dose, oral vaccine was well tolerated and immunogenic, demonstrating that the desired immune response was achieved. Incidence of reactogenicity symptoms and adverse events post-vaccination were similar to placebo. Importantly, immunogenic response was dose-dependent. Positive immune response or seroconversion (prospectively defined as a 4-fold increase in anti-LPS titers over pre-dose level) rates were 65.5% ($^{36}/_{55}$) and 80% ($^{44}/_{55}$) in the low and high dose groups, respectively, and was significantly ($p<0.001$) higher than placebo.

CDX-2401: The Company is also using its APC Targeting Technology™ to develop vaccines against infectious disease. The lead program is CDX-2401, an APC-Targeting prophylactic vaccine, aimed at providing protection from infection with HIV, the virus known to cause AIDS. This program is in a Bill & Melinda Gates Foundation funded partnership with collaborators at Rockefeller University in New York City, who have shown in model systems that protective immunity can be induced with such a vaccine. Preclinical studies and manufacturing development are in progress and the Company, with its collaborators, plans to file an IND for Phase 1 clinical studies in the first half of 2009.

D. Marketed Products

Rotavirus Vaccine: Rotavirus is a major cause of diarrhea and vomiting in infants and children. In 1997, we licensed our oral rotavirus strain to GlaxoSmithKline ("Glaxo"). All of the ongoing development for this program is being conducted and funded by Glaxo. Glaxo gained approval for its rotavirus vaccine, Rotarix®, in Mexico in July 2004, which represented the first in a series of worldwide approvals and commercial launches for the product. Glaxo subsequently launched Rotarix® in additional Latin American and Asian Pacific countries during 2005 - 2007. Additionally, Glaxo filed for market approval with the European regulatory authorities in late 2004, which triggered a $2 million milestone payment to the Company. In February 2006, the European Commission granted approval of Rotarix® in the European Union, which triggered a $4 million milestone payment from Glaxo. On April 3, 2008, Rotarix® received approval from the FDA for the prevention of rotavirus gastroenteritis in infants. FDA approval triggered a $1.5 million milestone payment from Glaxo, of which $750,000 was retained by the Company. We licensed-in the rotavirus strain in 1995 and owe a license fee of 30% to Cincinnati Children's Hospital Medical Center ("CCH") on net royalties received from Glaxo. In May 2005, the Company entered into an agreement whereby an affiliate of Paul Royalty Fund ("PRF") purchased an interest in the net royalties the Company will receive on worldwide sales of Rotarix® (see Note 10 of our consolidated financial statements). The market launch of Rotarix® by Glaxo in the U.S. market during the quarter ended September 30, 2008 resulted in a $10 million milestone payment to the Company from PRF, which the Company received on October 1, 2008. We have received a total of $60 million in milestone payments under the PRF agreement. No additional milestone payments are due from PRF under the agreement.

In September 2006, we received notice from Glaxo that Glaxo would begin paying royalties on sales of Rotarix® vaccine at the lower of two royalty rates under their 1997 license agreement. Glaxo's decision to pay the lower royalty rate (which is 70% of the full rate) is based upon Glaxo's assertion that Rotarix® is not covered by the patents Glaxo licensed from the Company in Australia and certain European countries. If Glaxo's position stands, the royalties to which PRF is entitled will no longer be limited by a $27.5 million annual threshold, which the Company projected may have been reached in later years as sales of Rotarix® increased. Irrespective of Glaxo's position, we will still retain approximately 65% of the royalties on worldwide sales of Rotarix® once PRF receives 2.45 times the

aggregate cash payments of $60 million it made to the Company, though the potential amount of such residual royalties will be lower if Glaxo's position stands.

Megan®Vac 1 and Megan®Egg Vaccines: On December 1, 2000, the Company acquired all of the outstanding capital stock of Megan. Megan has commercialized three veterinary vaccines; Argus™ SC, licensed by the United States Department of Agriculture ("USDA") in March 1998 and marketed by Intervet, Inc., and Megan®Vac 1 and Megan®Egg, licensed by the USDA in November 1998 and 2003, respectively, and marketed by Lohmann Animal Health International ("LAHI"). In January 2009, we sold the poultry vaccines business, consisting of Megan®Vac 1 and Megan®Egg, to LAHI for an upfront fee and potential milestone payments.

TECHNOLOGY LICENSING

We have adopted a business strategy of out-licensing technology and programs that do not match our development focus or where we lack sufficient resources for the technology's or program's efficient development or where certain uses of the technology are outside of our focus. For example, when the Company acquired Megan, it entered into a licensing agreement in December 2000 with Pfizer's Animal Health Division to leverage the value of Megan's oral vaccine technology in a significant market opportunity (animal health and human food safety) outside of the Company's own focus on human health care. Under this Pfizer agreement, we may receive additional milestone payments of up to $3 million based upon attainment of specified milestones. We may receive royalty payments on eventual product sales. The term of this agreement is through the expiration of the last of the patents covered by the agreement.

Similarly, in January 2009, we sold our poultry vaccines business, consisting of Megan®Vac 1 and Megan®Egg, to LAHI and out-licensed our CholeraGarde® and ETEC vaccine programs to VTI.

CRITICAL ACCOUNTING POLICIES

Our significant accounting policies are described in Note 1 to the consolidated financial statements included in Item 8 of this Form 10-K. We believe our most critical accounting policies include revenue recognition for agreements entered into with various collaborators, accounting for long-lived assets, the amortization policy for acquired intangible assets and the estimates of costs incurred and assumptions made in recording accrued clinical research and contract manufacturing costs and assumptions made in calculating the fair value of stock-based compensation expense.

The methods, estimates and judgments we use in applying our most critical accounting policies have a significant impact on the results we report in our consolidated financial statements. We evaluate our estimates and judgments on an on-going basis. We base our estimates on historical experience and on assumptions that we believe to be reasonable under the circumstances. Our experience and assumptions form the basis for our judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may vary from what we anticipate and different assumptions or estimates about the future could materially change our reported results. We believe the following accounting policies are the most critical to us in that they are important to the portrayal of our financial statements and they require our most difficult, subjective or complex judgments in the preparation of our consolidated financial statements:

Revenue Recognition: The Company accounts for revenue arrangements that include multiple deliverables in accordance with Emerging Issues Task Force ("EITF") No. 00-21, *Accounting for Revenue Arrangements with Multiple Deliverables* ("EITF 00-21"). EITF 00-21 addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. In applying the guidance, revenue arrangements with multiple deliverables can only be considered as separate units of accounting if (i) the delivered item has value to the customer on a standalone basis, (ii) there is objective and reliable evidence of the fair value of the undelivered items

and (iii) if the right of return exists, delivery of the undelivered items is considered probable and substantially in the control of the vendor. If these criteria are not met, the revenue elements must be considered a single unit of accounting for purposes of revenue recognition.

Payments received to fund certain research activities are recognized as revenue in the period in which the research activities are performed. Payments received in advance that are related to future performance are deferred and recognized as revenue when the research projects are performed.

The Company has entered into various license and development agreements with pharmaceutical and biotechnology companies. The terms of the agreements typically include non-refundable license fees, funding of research and development, payments based upon achievement of certain milestones and royalties on net product sales. Non-refundable license fees are recognized as contract and license fee revenue when the Company has a contractual right to receive such payments, provided that (i) a contractual arrangement exists, (ii) the contract price is fixed or determinable, (iii) the collection of the resulting receivable is reasonably assured and (iv) the Company has no further performance obligations under the license agreement. Upfront non-refundable fees associated with license and development agreements where the Company has continuing performance obligations under the terms of the agreement are recorded as deferred revenue and recognized as revenue over the estimated service period as the Company completes its obligations. Where the Company's level of effort is relatively constant over the performance period or no other pattern is estimable, the revenue is recognized on a straight-line basis. Revenue is limited to the lesser of the cumulative amount of payments received or the cumulative amount of revenue earned, as determined using the straight-line basis, as of the period ending date. If the estimated service period is subsequently modified, the period over which the upfront fee is recognized is modified accordingly on a prospective basis. The determination of the performance period involves judgment on management's part. Funding of research and development is recognized as revenue over the term of the applicable contract as costs are incurred related to that contract.

Milestone payments are recognized as revenue upon the achievement of mutually agreed milestones, provided that (i) the milestone event is substantive and its achievement is not reasonably assured at the inception of the agreement, and (ii) there is no continuing performance obligations associated with the milestone payment. Revenues from milestone payments related to arrangements under which the Company has continuing performance obligations are recognized as revenue upon achievement of the milestone only if all of the following conditions are met: (i) the milestone payments are non-refundable; (ii) achievement of the milestone was not reasonably assured at the inception of the arrangement; (iii) substantive effort is involved in achieving the milestone; and, (iv) the amount of the milestone is reasonable in relation to the effort expended or the risk associated with achievement of the milestone. If any of these conditions are not met, the milestone payments are deferred and recognized as revenue over the term of the arrangement as Celldex completes its performance obligations.

The Company has capitalized and deferred costs incurred in connection with the one-time signing and upfront payment (the initial deliverable) received with respect to a multiple deliverable arrangement. If there is deemed a single unit of accounting for such an arrangement, the capitalized deferred costs are amortized over the expected performance period of the arrangement.

Revenue from contracts and grants, including U.S. government grants under Small Business Innovation Research ("SBIR"), is recognized as the services are performed and recorded as effort is expended on the contracted work and billed to the government or our contractual partners. Product royalty revenue consists of payments received from licensees for a portion of sales proceeds from products that utilize Celldex's licensed technologies and are recognized when the amount of and basis for such royalty payments are reported to us in accurate and appropriate form and in accordance with the related license agreement. Payments received in advance of activities being performed are recorded as deferred revenue. Any significant changes in the Company's estimates or assumptions could impact its revenue recognition.

Long-Lived Assets: In the ordinary course of its business, the Company incurs substantial costs to construct property and equipment. The treatment of costs to construct these assets depends on the nature of the costs and the stage of construction. Costs incurred in the project planning and design phase, and in the construction and installation phase, are capitalized as part of the cost of the asset. The Company stops capitalizing costs when the asset is substantially complete and ready for its intended use. Determining the appropriate period during which to capitalize costs, and assessing whether particular costs qualify for capitalization, requires us to make significant judgments. These judgments can have a material impact on our reported results.

For manufacturing property and equipment, the Company also capitalizes the cost of validating these assets for the underlying manufacturing process. Celldex completes the capitalization of validation costs when the asset is substantially complete and ready for its intended use. Costs capitalized include incremental labor and fringe benefits, and direct consultancy services.

Property and equipment is stated at cost and depreciated over the estimated useful lives of the related assets using the straight-line method. Laboratory equipment and office furniture and equipment are depreciated over a five-year period and computer equipment is depreciated over a three-year period. Manufacturing equipment is amortized over a seven- to ten-year period. Leasehold improvements are amortized over the shorter of the estimated useful life or the non-cancelable term of the related lease, including any renewals that are reasonably assured of occurring. Property and equipment under construction is classified as construction in progress and is depreciated or amortized only after the asset is placed in service. Expenditures for maintenance and repairs are charged to expense whereas the costs of significant improvements which extend the life of the underlying asset are capitalized. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation are eliminated and the related gains or losses are reflected in net income. Determining the economic lives of property and equipment requires us to make significant judgments that can materially impact our operating results.

Amortization of Intangible Assets: The Company has acquired intangible assets, which include core technology, developed technology and a strategic partner agreement, through the Merger and the acquisition of Lorantis Limited. These acquired intangible assets are being amortized on a straight-line basis over their estimated lives, which range from 4.5 to 11 years. The determination of the amortization period involves estimates and judgments on management's part. Any significant changes in the Company's estimates or assumptions could impact the carrying value of acquired intangible assets. We evaluate the recoverability of these assets when facts and circumstances suggest the asset could be impaired in accordance with Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment of Long-Lived Assets".

Accounting for the Impairment of Long-Lived Assets: The Company periodically evaluates its long-lived assets, primarily property and equipment and intangible assets for potential impairment under SFAS No. 144, *Accounting for the Impairment of Long-Lived Assets*, ("SFAS No. 144"). The Company performs these evaluations whenever events or changes in circumstances suggest that the carrying amount of an asset or group of assets is not recoverable. Indicators of potential impairment include:

- a significant change in the manner in which an asset is used;
- a significant decrease in the market value of an asset;
- a significant adverse change in its business or the industry in which it is sold; and
- a current period operating cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the asset.

If the Company believes an indicator of potential impairment exists, the carrying values of the assets are evaluated in relation to the operating performance and future undiscounted cash flows of the underlying asset. The net book value of an asset is adjusted to fair value if its expected future undiscounted cash flows are less than its book value. The Company charges impairments of the long-lived assets to operations if its evaluations indicate that the carrying value of these assets is not recoverable. We have identified no indicators of impairment at December 31, 2008. When we determine that the carrying value of intangible assets or long-lived assets is not recoverable, we may be required to record impairment charges for these assets that have not been previously recorded.

Accrued Clinical Research and Contract Manufacturing Costs: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period reported. Specifically, Celldex's management must make estimates of costs incurred to date, but not yet invoiced by external entities such as clinical research organizations ("CROs") and contract manufacturing organizations ("CMOs"). For CROs, management analyzes the progress of clinical trials, contract amendments for specific work, invoices received, and budgeted costs when evaluating the adequacy of the accrued liability. For CMOs, management analyzes the progress of process development and scale-up efforts and the production of clinical materials, contract amendments signed for specific work, invoices received, and budgeted costs when evaluating the adequacy of the accrued liability. The Company accrues these expenses based upon its assessment of the status of each study or manufacturing activity and the work completed, and upon information obtained from the CROs and CMOs. Significant management judgments and estimates must be made and used in connection with the accrued balance in any accounting period. Actual results may differ from the amount and timing of the accrued balance for any period.

In connection with certain clinical research agreements the Company makes payments in advance of the services performed. The Company accounts for these payments under the provisions of EITF Issue No. 07-3 (EITF 07-3), *Accounting for Advance Payments for Goods or Services to Be Used in Future Research and Development Activities*. EITF 07-3 is limited to non-refundable advance payments for goods and services to be used or rendered in future research and development activities pursuant to an executory contractual arrangement. In accordance with this pronouncement, the Company capitalizes and defers these advanced payments to clinical research organizations, as other current assets, until the goods have been delivered or the related services have been performed.

Stock-Based Compensation Expense: We account for stock-based awards under SFAS No. 123(R), *Share-Based Payment*, ("SFAS No. 123(R)"), which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to the Employee Stock Purchase Plan ("employee stock purchases") based on estimated grant date fair values.

Compensation expense for all share-based payment awards to employees are recognized using the straight-line method over the term of vesting or performance. As stock-based compensation expense recognized in the Consolidated Statement of Operations is based on awards ultimately expected to vest, compensation expense has been reduced for estimated forfeitures. SFAS No. 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The Company estimates the fair value of share-based awards granted using the Black-Scholes option-pricing model ("Black-Scholes model"). The Company's determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors.

SFAS No. 123(R) did not change the accounting guidance for how the Company accounts for options issued to non-employees. The Company accounts for options issued to non-employees in accordance with SFAS No. 123(R) and EITF Issue No. 96-18, *Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*. The value of such options is periodically re-measured and income or expense is recognized during the vesting terms.

See Note 3 for additional information.

RESULTS OF OPERATIONS

The financial statements of the Company prior to the Merger reflect the financial position, results of operations and cash flows of Celldex Research (then Celldex). Following the Merger, the financial statements of the current period reflect the financial position, results of operation and cash flows of the combined companies. The results of operations of AVANT are included in the results of operations of the Company beginning March 8, 2008. The discussions of results of operations, liquidity and capital resources below are of the combined companies for the period March 8, 2008 to December 31, 2008 and historically of Celldex Research on a stand-alone basis for all periods prior to March 8, 2008.

Fiscal Year Ended December 31, 2008 compared with Fiscal Year ended December 31, 2007

The Company reported a consolidated net loss of $47,500,571, or $3.34 per share, for the year ended December 31, 2008, compared with a net loss of $15,073,050, or $1.81 per share, for the year ended December 31, 2007. The net loss for the year ended December 31, 2008 includes the combined operating expenses for the two companies and a one-time non-cash charge of $14,755,908 for purchased in-process research and development related to the Merger which closed in March 2008. The weighted average common shares outstanding used to calculate net loss per common share was 14,217,388 in 2008 and 8,309,420 in 2007.

Revenue

Total revenue increased to $7,455,507 for 2008 compared to $1,405,592 for 2007.

Product development and licensing revenue increased to $3,715,957 in 2008 from $466,156 in 2007 primarily due to the recognition of $2,870,359 of Pfizer deferred revenue and $225,000 of Glaxo milestone revenue payable to CCH. For the years ended December 31, 2008 and 2007, the Company recognized $466,156 of revenue under the Corixa termination agreement.

Contract and grant revenue decreased by $406,254 to $533,182 for work performed in 2008 from $939,436 in 2007 primarily due to lower levels of vaccine development work billable to Rockefeller and Harvard in 2008.

Product royalty revenue was $3,206,368 in 2008, consisting of $3,034,565 related to the Company's retained interests in Rotarix® net royalties which were not sold to PRF and which is equal to the amount payable to CCH and recognized in research and development expense by the Company, and $171,803 related to royalties on Megan®Vac 1 and Megan®Egg product sales. There was no product royalty revenue in 2007.

Operating Expense

Total operating expense increased to $56,211,495 for the year ended December 31, 2008 compared to $16,914,128 for the year ended December 31, 2007. Operating expense for 2008 includes a one-time non-cash charge of $14,755,908 for purchased in-process research and development related to the Merger in March 2008.

Research and development expenses consist primarily of (i) personnel expenses, (ii) facilities and supply expenses relating to Celldex's technology, (iii) development costs associated with Celldex's product candidates, (iv) fees paid to third parties in conjunction with Celldex's clinical and preclinical development programs, and (v) license fees on in-licensed technologies and royalty fees on out-licensed programs. Research and development expense in 2008 increased by $16,455,480 to $26,347,189 from $9,891,709 in 2007. The changes relate primarily to the merger of the two companies and to costs associated with the following:

- Personnel costs for the year ended December 31, 2008, were $8,785,288, an increase of $5,535,350, as compared to the year ended December 31, 2007. The increase was primarily due to significantly higher headcount as a result of the Merger, and an increase of $1,225,178 in stock-based compensation expense. Personnel costs include salary, benefits, stock-based compensation, payroll taxes and recruiting costs. Celldex expects personnel costs to increase as it continues to increase its product development pipeline, add new product candidates to its preclinical programs and increase its research activities.

- Facility costs for the year ended December 31, 2008, were $3,910,339, an increase of $2,914,916, as compared to the year ended December 31, 2007. The increase primarily relates to the combination of expenses for three facilities (Phillipsburg, NJ and Needham and Fall River, MA) as a result of the Merger. Facility costs include depreciation and amortization, utilities, rent, maintenance, and other related expenses. Celldex expects to incur increased facility costs as a result of increased energy costs and continued capital expansion.

- Product development costs for the year ended December 31, 2008 were $5,003,923, an increase of $3,112,603, as compared to the year ended December 31, 2007. The increase primarily relates to expansion of Celldex's clinical trials for CDX-110 and CDX-1307. Product development costs include clinical investigator site fees, external trial monitoring costs, data accumulation costs, and outside clinical drug product manufacturing. Celldex expects expenses related to clinical trials to increase in the future as it continues to develop its therapeutic product pipeline and bring forward new product candidates into clinical development.

- Third party consulting costs for the year ended December 31, 2008, were $729,876, an increase of $313,572, as compared to the year ended December 31, 2007. Celldex expects expenses related to research and development consultants to increase in the future as it enters into later stage clinical development.

- License and royalty fees for the year ended December 31, 2008, were $4,463,865, an increase of $4,133,865, as compared to the year ended December 31, 2007. The increase primarily relates to license fees paid to 3M Company and Southampton for new technologies in-licensed in 2008 and sublicense income royalty fees expense on out-licensed programs paid and recognized to CCH, Duke and TJU in 2008. Celldex expects expenses related to license and royalty fees to increase in the future.

General and administrative expense increased $7,841,905 to $14,747,392 in 2008 compared to $6,905,487 in 2007 and was primarily attributed to increases in stock-based compensation expense of $1,985,593 for stock option awards, severance expense of $1,373,874, legal and patent expense of $1,963,399, facility-related expenses of $1,075,448, insurance expenses of $590,061 and professional services of $564,935. The Company expects general and administrative expense to increase in 2009 as the Company adds infrastructure to support its therapeutic product pipeline and new product candidates.

Amortization expense of acquired intangible assets increased $244,074 to $361,006 in 2008 compared to $116,932 in 2007 and the increase was a result of the intangible assets acquired in

connection with the Merger. The Company expects amortization expense of acquired intangible assets to decrease in 2009 unless additional acquisitions are made.

Investment and Other Income, Net

Interest and other income increased $819,931 to $1,255,417 in 2008 compared to $435,486 in 2007. The increase was primarily due to higher average cash balances in 2008 compared to 2007 and the recognition of $946,800 in income from Paul Capital relating to the $10 million milestone payment for the Rotarix® U.S. launch, offset in part by interest expense of $155,972 in 2008 compared to none in 2007, lower interest rates in 2008 and the loss on sale of Select Vaccine shares.

Fiscal Year Ended December 31, 2007 compared with Fiscal Year ended December 31, 2006

Celldex reported a net loss of $15,073,050, or $1.81 per share, for the year ended December 31, 2007, a decrease of $2,762,212, or 15.5%, compared to a net loss of $17,835,262, or $2.15 per share, for the year ended December 31, 2006. The decrease in net loss between periods was due to decreased operating expenses, offset partially by increased revenues, investment and other income. The weighted average common shares outstanding used to calculate the net loss per common share was 8,309,420 in 2007 and 8,278,500 in 2006.

Revenue

Revenues totaled $1,405,592 and $899,184 for the years ended December 31, 2007 and 2006 respectively, an increase of $506,408, or 56.3%. Because revenues depend to a large extent on the grants and product development efforts of Celldex's collaborators, Celldex's period-to-period revenues can fluctuate significantly and are inherently difficult to predict.

Operating Expense

Research and development expenses consist primarily of (i) personnel expenses, (ii) facilities and supply expenses relating to Celldex's technology, (iii) development costs associated with Celldex's product candidates and (iv) fees paid to third parties in conjunction with Celldex's clinical and preclinical development programs. Research and development expenses decreased by $121,094, or 1.2%, from $10,012,803 to $9,891,709, during the year ended December 31, 2007, as compared to the year ended December 31, 2006. The changes relate primarily to costs associated with the following:

- Personnel costs for the year ended December 31, 2007, were $3.19 million, a d**e**crease of $1.02 million, or 24.1%, as compared to the year ended December 31, 2006. The decrease was primarily due to the reduction of headcount in Cambridge, U.K. that was partially offset by higher levels of preclinical and clinical development of Celldex's product candidates. Personnel costs include salary, benefits, stock based compensation, payroll taxes and recruiting costs.

- Facility costs for the year ended December 31, 2007, were $975,649, an increase of $330,009, or 51.1%, as compared to the year ended December 31, 2006. The increase primarily relates to the Phillipsburg, NJ facilities being opened during 2007. Facility costs include depreciation and amortization, utilities, rent, maintenance, and other related expenses.

- Product development costs for the year ended December 31, 2007 were $1.9 million, an increase of $1.54 million, as compared to the year ended December 31, 2006. The increase primarily relates to expansion of Celldex's CDX-1307 clinical trials and the initiation of the Phase 2b trial (ACT III) for CDX-110. Product development costs include clinical investigator site fees, external trial monitoring costs and data accumulation costs.

- Third party payment costs to consultants for the year ended December 31, 2007, were $416,304, an increase of $154,486 or 59.0%, as compared to the year ended December 31, 2006.

Celldex's general and administrative costs for the year ended December 31, 2007 were $6,905,487, a decrease of $1,490,214, or 17.7%, as compared to the year ended December 31, 2006. The decrease was primarily due to exiting of the U.K. facility and costs of operating the facility. This was partially offset by increased outside accounting and legal fees, stock-based compensation expense and Celldex's ongoing operations. General and administrative expenses, include salaries, benefits, stock based compensation, accounting, legal, business development and corporate administrative expense, including facility, travel, and other related expense.

Investment and Other Income, Net

Interest and other income decreased $524,200 to $435,486 in 2007 compared to $959,686 in 2006. The decrease was primarily due to lower cash balances in 2007 compared to 2006.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2008, the Company's principal sources of liquidity consisted of cash and cash equivalents of $44,257,286. The Company's cash and cash equivalents are highly liquid investments with a maturity of three months or less at the date of purchase and consist of time deposits and investments in money market mutual funds with commercial banks and financial institutions. Also, the Company maintains cash balances with financial institutions in excess of insured limits. The Company does not anticipate any losses with respect to such cash balances.

The use of the Company's cash flows for operations has primarily consisted of salaries and wages for its employees, facility and facility-related costs for its offices, laboratories and manufacturing facility, fees paid in connection with preclinical studies, clinical studies, contract manufacturing, laboratory supplies and services, consulting, legal and other professional fees. To date, the primary sources of cash flows from operations have been payments received from the Company's collaborative partners and from government entities. In general, the Company's sources of cash flows from operations for the foreseeable future will be upfront license payments, payments for the achievement of milestones, product royalty payments, payments under government contracts and grants and funded research and development under collaboration agreements that the Company may receive. The timing of any new collaboration agreements, government contracts or grants and any payments under these agreements, contracts or grants cannot be easily predicted and may vary significantly from quarter to quarter.

Cash Provided By or Used in Operating Activities

Net cash provided by operating activities was $18,280,766 for the year ended December 31, 2008 compared to cash used of $9,125,400 for the year ended December 31, 2007. The increase in net cash provided by operating activities was primarily attributed to Pfizer's one-time upfront payment to the Company of $40 million, PRF's one-time milestone payment of $10 million, a decrease in prepaid and other assets and an increase in accounts payable and accrued expenses, partially offset by increased net losses and an increase in accounts and other receivables. The Company expects that cash used in operations will increase in 2009 as the Company continues to develop its therapeutic product pipeline and bring forward new product candidates into clinical development.

Celldex has incurred and will continue to incur significant costs in the area of research and development, including preclinical and clinical trials, as its product candidates are developed. Celldex plans to spend significant amounts to progress its current product candidates through the clinical trial and commercialization process as well as to develop additional product candidates. As its product candidates progress through the clinical trial process, Celldex may be obligated to make significant milestone payments. Celldex also expects to incur future facility costs as a result of continued capital expansion, renovations and replacements. Celldex expect its general and administrative costs to increase as it expands its administrative and business development activities. Furthermore, Celldex expects

investment income to decrease as its funds future operations and capital expenditures from its cash reserves.

Cash Provided By or Used In Investing Activities

Cash provided by investing activities was $10,155,188 for the year ended December 31, 2008 compared to cash used in investing activities of $413,435 during 2007. The change in amounts between years primarily reflects the impact of the Merger and the result of increased expenditures on capital equipment in 2008, primarily for the conversion of the Company's Fall River facility into a cell culture manufacturing facility. The Company's investment in capital equipment is discretionary and it expects to spend less on capital expenditures in 2009.

Cash Provided by Financing Activities

Net cash provided by financing activities was $10,925,112 for the year ended December 31, 2008 compared to $264,339 for the year ended December 31, 2007. The increase in net cash provided by financing activities was primarily due to Pfizer's one-time $10 million equity investment in the Company and increases in the related party loan due to Medarex, offset in part by principal payments of long-term liabilities.

Other Liquidity Matters

On April 16, 2008, the Company and Pfizer entered into an agreement under which Pfizer was granted an exclusive worldwide license to a therapeutic cancer vaccine candidate, CDX-110, in Phase 2 development for the treatment of glioblastoma multiforme. The agreement also gives Pfizer exclusive rights to the use of EGFRvIII vaccines in other potential indications. Under the licensing and development agreement, Pfizer made an upfront payment to the Company of $40 million and made a $10 million equity investment in the Company. Pfizer will fund all development costs for these programs. The Company is also eligible to receive potential milestone payments exceeding $390 million for the successful development and commercialization of CDX-110 and additional EGFRvIII vaccine products, as well as royalties on any product sales. The Pfizer Agreement became effective after clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) in May 2008.

On April 3, 2008, Rotarix® received FDA market approval for the prevention of rotavirus gastroenteritis in infants which triggered a $1.5 million milestone payment to the Company from Glaxo, $750,000 of which the Company has retained under its agreement with PRF. Rotarix® is now licensed in over 100 countries worldwide including the U.S. and the European Union. Glaxo's U.S. market launch of Rotarix® during the third quarter of 2008 resulted in a $10 million milestone payment from PRF, which the Company received in October 2008.

In 2009, the Company may take steps to raise additional capital including, but not limited to, the licensing of technology programs with existing or new collaborative partners, possible business combinations, or the issuance of common stock via private placements or public offerings. We believe that our current cash and cash equivalents are sufficient to fund planned operations for at least the next twelve months. While we may continue to seek capital through a number of means, there can be no assurance that additional financing will be available on acceptable terms, if at all, particularly in light of the recent disruptions in the financial markets and the Company's negotiating position in capital-raising efforts may worsen as existing resources are used. There is also no assurance that the Company will be able to enter into further collaborative relationships. Additional equity financing may be dilutive to the Company's stockholders; debt financing, if available, may involve significant cash payment obligations and covenants that restrict the Company's ability to operate as a business; and licensing or strategic collaborations may result in royalties or other terms which reduce the Company's economic potential from products under development. If the Company is unable to raise the necessary

funds, it may have to delay or discontinue the development of programs, license out programs earlier than expected, raise funds at significant discount or on other unfavorable terms, if at all, or evaluate a sale of all or part of the Company.

SUBSEQUENT EVENTS

In January 2009, the Company entered into two transactions involving the sale of its poultry vaccines business and the out-licensing of its cholera and ETEC programs as more fully described below.

(A) Lohmann Animal Health International ("LAHI")

On January 13, 2009, the Company entered into a purchase agreement to sell its poultry vaccines business to LAHI. Since 2002, LAHI has performed all manufacturing, marketing and distribution activities for Celldex's marketed Megan®Vac 1 and Megan®Egg poultry vaccines and has paid Celldex product royalties. Financial terms of the transaction with LAHI included an upfront fee and potential milestone payments.

(B) Vaccine Technologies, Inc. ("VTI")

On January 20, 2009, the Company entered into an Exclusive License and Development Agreement with VTI. Under the license agreement, Celldex has granted a worldwide fee- and royalty-bearing exclusive license to VTI to development and commercialize Celldex's CholeraGarde® and ETEC vaccine programs. Financial terms of the agreement with VTI include an upfront license fee, milestone payments and royalties on net sales of licensed products during the term of the agreement.

AGGREGATE CONTRACTUAL OBLIGATIONS

The following table summarizes Celldex's contractual obligations at December 31, 2008 and the effect such obligations and commercial commitments are expected to have on its liquidity and cash flow in future years. These obligations, commitments and supporting arrangements represent payments based on current operating forecasts, which are subject to change:

	Total	2009	2010 - 2012	2013 - 2014	Thereafter
Contractual obligations:					
Operating lease obligations	$19,989,900	$2,475,600	$7,374,200	$4,881,300	$5,258,800
Loan Payable*	1,189,800	130,400	363,700	695,700	
Note Payable*	401,700	177,200	224,500	—	—
Licensing obligations	3,630,000	510,000	1,755,000	830,000	535,000
Severance obligations	33,800	25,300	8,500	—	—
Total contractual obligations	$25,245,200	$3,318,500	$9,725,900	$6,407,000	$5,793,800
Commercial commitments:					
Clinical development	$ 5,502,600	$5,472,100	$ 30,500	$ —	$ —
Manufacturing development	30,000	30,000			
Total commercial commitments	$ 5,532,600	$5,502,100	$ 30,500	$ —	$ —

* includes interest obligations

In the future, we may owe royalties and other contingent payments to our licensors based on the achievement of developmental milestones, product sales and specified other objectives. These potential future obligations are not included in the above table.

RECENT ACCOUNTING PRONOUNCEMENTS

SFAS 141(R) and SFAS 160: In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141(R), *Business Combinations*, ("SFAS No. 141(R)"), and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*, ("SFAS No. 160"), which introduce significant changes in the accounting for and reporting of business acquisitions and noncontrolling interests in a subsidiary. SFAS No. 141(R) is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption of both statements is prohibited. The adoption of SFAS No. 141(R) and SFAS No. 160 will only have an impact on the Company's financial statements if it is involved in a business combination that occurs after January 1, 2009.

EITF 07-1: In December 2007, the EITF reached a consensus on Issue No. 07-1, *Accounting for Collaborative Arrangements* ("EITF 07-1"). The EITF concluded on the definition of a collaborative arrangement and that revenues and costs incurred with third parties in connection with collaborative arrangements would be presented gross or net based on the criteria in EITF 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent*, and other accounting literature. Based on the nature of the arrangement, payments to or from collaborators would be evaluated and its terms, the nature of the entity's business, and whether those payments are within the scope of other accounting literature would be presented. Companies are also required to disclose the nature and purpose of collaborative arrangements along with the accounting policies and the classification and amounts of significant financial statement amounts related to the arrangements. Activities in the arrangement conducted in a separate legal entity should be accounted for under other accounting literature; however, required disclosure under EITF 07-1 applies to the entire collaborative agreement. EITF 07-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, and is to be applied retrospectively to all periods presented for all collaborative arrangements existing as of the effective date. The Company is currently evaluating the effect that the adoption of EITF 07-01 will have on its results of operations and financial condition.

FSP No. FAS 142-3: In April 2008, the FASB staff issued FASB Staff Position ("FSP") No. FAS 142-3, *Determination of the Useful Life of Intangible Assets* ("FSP No. FAS 142-3"). FSP No. FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB No. 142. The intent of this FSP is to improve the consistency between the useful life of a recognized intangible under Statement 142 and the period of expected cash flows used to measure fair value of the asset under FASB No. 141 and other accounting principles generally accepted in the United States of America ("U.S.GAAP"). The FSP is effective for financial statements issued for fiscal years beginning after December 31, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The adoption of FSP No. FAS 142-3 is not expected to have a material impact on Celldex's financial position and results of operations.

SFAS 162: In May 2008, FASB issued SFAS No. 162, *"The Hierarchy of Generally Accepted Accounting Principles"*, or SFAS 162. SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements that are presented in conformity with generally accepted accounting principles in the United States. SFAS 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *"The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles."* The Company does not expect SFAS 162 to have a material impact on its results of operations and financial condition.

EITF 03-6-1: In June 2008, FASB issued FASB Staff Position No. EITF 03-6-1, *"Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities"*, or FSP EITF 03-6-1. FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share (EPS) under the two-class method described in paragraphs 60 and 61 of FASB Statement No. 128, *"Earnings per Share"*, or SFAS 128. The guidance applies to the calculation of EPS under SFAS 128 for share-based payment awards with rights to dividends or dividend equivalents. FSP EITF 03-6-1 clarifies that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of EPS pursuant to the two class method. FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. All prior-period EPS data presented shall be adjusted retrospectively (including interim financial statements, summaries of earnings and selected financial data) to conform with the provisions of this FSP. Early adoption is not permitted. The Company does not expect the adoption of FSP EITF 03-6-1 will have a material impact on its results of operations and financial condition.

OFF-BALANCE SHEET ARRANGEMENTS.

None.

Item 7A. 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. Our investment portfolio includes only marketable securities with active secondary or resale markets to help insure liquidity. We have implemented investment policies regarding the amount and credit ratings of investments. 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. See Note 1 to the Consolidated Financials Statements for a description of our use of other financial instruments. The carrying amounts reflected in the consolidated balance sheet of cash and cash equivalents, accounts receivables and accounts payable approximates fair value at December 31, 2008 due to the short-term maturities of these instruments.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Board of Directors and Stockholders of
Celldex Therapeutics, Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations and comprehensive loss, of stockholders' equity (deficit) and of cash flows, present fairly, in all material respects, the financial position of Celldex Therapeutics, Inc. (formerly known as AVANT Immunotherapeutics, Inc.) and its subsidiaries at December 31, 2008, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because a material weakness in internal control over financial reporting existed related to the complement of the Company's accounting staff existing as of that date. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the December 31, 2008 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audit. We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audit of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
March 2, 2009

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Celldex Therapeutics, Inc.

We have audited the accompanying consolidated balance sheet of Celldex Research Corp. (formerly known as Celldex Therapeutics, Inc.) and subsidiary as of December 31, 2007, and the related consolidated statements of operations and comprehensive loss, stockholders' equity (deficit) and cash flows for each of the two years in the period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Celldex Research Corp. (formerly known as Celldex Therapeutics, Inc.) at December 31, 2007 and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

MetroPark, New Jersey
May 7, 2008

CELLDEX THERAPEUTICS, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2008	December 31, 2007
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 44,257,286	$ 4,909,530
Accounts and Other Receivables	1,826,685	132,496
Prepaid and Other Current Assets	992,473	656,347
Total Current Assets	47,076,444	5,698,373
Property and Equipment, Net	13,567,180	1,918,036
Intangible Assets, Net	2,472,440	1,032,903
Other Assets	6,677,171	725,193
Total Assets	$ 69,793,235	$ 9,374,505
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts Payable	$ 2,153,393	$ 749,867
Accrued Expenses	3,841,159	2,519,419
Payable Due Medarex	2,957,248	5,835,552
Current Portion of Deferred Revenue	4,931,327	974,156
Current Portion of Long-Term Liabilities	218,459	57,447
Total Current Liabilities	14,101,586	10,136,441
Deferred Revenue	36,488,713	219,754
Other Long-Term Liabilities	1,069,257	150,207
Commitments and Contingent Liabilities (Note 15)		
Stockholders' Equity (Deficit):		
Convertible Preferred Stock, 3,000,000 Shares Authorized; None Issued and Outstanding at December 31, 2008	—	
Convertible Preferred Stock, $1.00 Par Value; 1,000,000 Shares Authorized; None Issued and Outstanding at December 31, 2007		—
Common Stock, $.001 Par Value; 300,000,000 Shares Authorized; 15,789,756 Issued and Outstanding at December 31, 2008	15,790	
Class A Common Stock, $.01 Par Value; 6,800,000 Shares Authorized, Issued and Outstanding at December 31, 2007 (2,811,147 shares issued and outstanding after adjustments to reflect the Merger and a reverse stock split of 1-for-12 effective March 7, 2008)		2,811
Common Stock, $.01 Par Value; 50,000,000 Shares Authorized; 13,300,000 Issued and Outstanding at December 31, 2007(5,498,273 shares issued and outstanding after adjustments to reflect the Merger and a reverse stock split of 1-for-12 effective March 7, 2008)		5,498
Additional Paid-In Capital	136,661,181	69,889,205
Accumulated Other Comprehensive Income	2,605,726	2,619,036
Accumulated Deficit	(121,149,018)	(73,648,447)
Total Stockholders' Equity (Deficit)	18,133,679	(1,131,897)
Total Liabilities and Stockholders' Equity (Deficit)	$ 69,793,235	$ 9,374,505

The accompanying notes are an integral part of the consolidated financial statements.

CELLDEX THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
REVENUE:			
Product Development and Licensing Agreements	$ 3,715,957	$ 466,156	$ 466,156
Contracts and Grants	533,182	939,436	433,028
Product Royalties	3,206,368	—	—
Total Revenue	7,455,507	1,405,592	899,184
OPERATING EXPENSE:			
Research and Development	26,347,189	9,891,709	10,012,803
General and Administrative	14,747,392	6,905,487	8,395,701
Charge for In-Process Research and Development	14,755,908	—	—
U.K Facility Exit Costs	—	—	1,168,696
Amortization of Acquired Intangible Assets	361,006	116,932	116,932
Total Operating Expense	56,211,495	16,914,128	19,694,132
Operating Loss	(48,755,988)	(15,508,536)	(18,794,948)
Investment and Other Income, Net	1,255,417	435,486	959,686
Net Loss	$ (47,500,571)	$ (15,073,050)	$ (17,835,262)
Basic and Diluted Net Loss Per Common Share (See Note 1)	$ (3.34)	$ (1.81)	$ (2.15)
Shares Used in Calculating Basic and Diluted Net Loss per Share (See Note 1)	14,217,388	8,309,420	8,278,500
COMPREHENSIVE LOSS:			
Net Loss	$ (47,500,571)	$ (15,073,050)	$ (17,835,262)
Unrealized Gain/(Loss) on Foreign Exchange Translation	(13,310)	230,840	2,882,403
Comprehensive Loss	$ (47,513,881)	$ (14,842,210)	$ (14,952,859)

The accompanying notes are an integral part of the consolidated financial statements.

CELLDEX THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006

	Common Stock Shares(1)	Common Stock Par Value(1)	Class A Common Stock Shares(1)	Class A Common Stock Par Value(1)	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance at December 31, 2005	**5,456,933**	**$ 5,457**	**2,811,147**	**$ 2,811**	**$ 69,232,776**	**$ (494,207)**	**$ (40,740,135)**	**$ 28,006,702**
Share-Based Compensation	—	—	—	—	1,760,165	—	—	1,760,165
Shares Issued to Duke University in Connection with Licensing Agreement	41,340	41	—	—	329,959	—	—	330,000
Comprehensive Income (Loss):								
Net Loss	—	—	—	—	—	—	(17,835,262)	(17,835,262
Other Comprehensive Income	—	—	—	—	—	2,882,403	—	2,882,403
Total Comprehensive Loss								(14,952,859)
Balance at December 31, 2006	**5,498,273**	**$ 5,498**	**2,811,147**	**$ 2,811**	**$ 71,322,900**	**$ 2,388,196**	**$ (58,575,397)**	**$ 15,144,008**
Share-Based Compensation	—	—	—	—	1,604,922	—	—	1,604,922
Medarex Return of Capital	—	—	—	—	(3,038,617)	—	—	(3,038,617)
Comprehensive Income (Loss):								
Net Loss	—	—	—	—	—	—	(15,073,050)	(15,073,050
Other Comprehensive Income	—	—	—	—	—	230,840	—	230,840
Total Comprehensive Loss								(14,842,210)
Balance at December 31, 2007	**5,498,273**	**$ 5,498**	**2,811,147**	**$ 2,811**	**$ 69,889,205**	**$ 2,619,036**	**$ (73,648,447)**	**$ (1,131,897)**
Exchange of Class A for Common Stock	2,811,147	2,811	(2,811,147)	(2,811)	—	—	—	—
Shares Issued to Medarex in Settlement of a Payable	351,692	352	—	—	3,038,265	—	—	3,038,617
Shares Received in Exchange in the Merger	6,265,889	6,266	—	—	46,869,106	—	—	46,875,372
Cash Paid for Fractional Shares in Connection with the Merger	(7)	—	—	—	—	—	—	—
Shares Issued to Pfizer in connection with the CDX-110 Licensing Agreement	781,250	781			10,866,407			10,867,188
Shares Issued to Duke University in Settlement of a Payable	81,512	82			1,182,505			1,182,587
Share-Based Compensation	—	—	—	—	4,815,693	—	—	4,815,693
Comprehensive Loss:								
Net Loss	—	—	—	—	—	—	(47,500,571)	(47,500,571)
Other Comprehensive Loss	—	—	—	—	—	(13,310)	—	(13,310)
Total Comprehensive Loss								(47,513,881)
Balance at December 31, 2008	**15,789,756**	**$ 15,790**	**—**	**$ —**	**$ 136,661,181**	**$ 2,605,726**	**$ (121,149,018)**	**$ 18,133,679**

(1) Adjusted to reflect the Merger exchange ratio and a reverse stock split of 1-for-12 effective March 7, 2008.

The accompanying notes are an integral part of the consolidated financial statements.

CELLDEX THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
Cash Flows From Operating Activities:			
Net Loss	$(47,500,571)	$(15,073,050)	$(17,835,816)
Adjustments to Reconcile Net Loss to Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	2,176,427	710,156	769,520
Amortization of Intangible Assets	361,006	116,932	116,932
Impairment of Investment in Select Vaccines Limited	297,146	—	—
Loss (Gain) on Impairment and Disposal of Assets	33,795	—	(136,161)
U.K. Facilities Exit Costs	—	—	1,101,603
Non-Cash License Fees Paid with Stock	—	—	330,000
In-Process Research and Development	14,755,908	—	—
Stock-Based Compensation Expense	4,815,693	1,604,924	1,760,165
Changes in Assets and Liabilities			
Accounts and Other Receivables	(1,655,600)	4,167,335	940,000
Prepaid and Other Current Assets	9,979,807	(587,077)	794,000
Other Assets—Deferred Costs	(6,413,770)	—	—
Accounts Payable and Accrued Expenses	1,221,278	28,116	(1,300,000)
Deferred Revenue	40,116,130	42,304	(466,157)
Other Long-Term Liabilities—Deferred Rent	93,517	(78,808)	286,462
Net Cash Provided by (Used in) Operating Activities	18,280,766	(9,125,400)	(13,639,452)
Cash Flows From Investing Activities:			
Cash Acquired in the Acquisition of AVANT, Net of Transaction Costs	10,750,255	—	—
Other Non Current Assets	—	(335,054)	—
Restricted Cash Deposits	(1,737)	(3,070)	168,000
Acquisition of Property and Equipment	(1,304,706)	(75,311)	(2,478,719)
Proceeds from Disposal or Sale of Assets	460,494	—	144,000
Proceeds from Sale of Shares of Select Vaccines Limited	250,882	—	—
Net Cash Provided by (Used in) Investing Activities	10,155,188	(413,435)	(2,166,719)
Cash Flows From Financing Activities:			
Net Proceeds from Stock Issuance	10,867,188	—	—
Related Party Loan Due to Medarex	160,313	264,339	2,077,573
Payment of Loans and Note Payable	(102,389)	—	—
Net Cash Provided by Financing Activities	10,925,112	264,339	2,077,573
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(13,310)	183,840	2,516,000
Net Increase (Decrease) in Cash and Cash Equivalents	39,347,756	(9,090,656)	(11,212,598)
Cash and Cash Equivalents at Beginning of Period	4,909,530	14,000,186	25,212,784
Cash and Cash Equivalents at End of Period	$ 44,257,286	$ 4,909,530	$ 14,000,186
Supplemental Disclosure of Non-Cash Flow Information			
Shares Received in Exchange in the Merger	$ 46,251,952	$ —	$ —
Shares Issued to Medarex in Settlement of a Payable	$ 3,038,617	—	$ —
Shares Issued to Duke University in Settlement of a Payable	$ 1,182,587	$ —	$ —
Supplemental Disclosure of Cash Flow Information			
Cash Paid for Interest	$ 142,210	$ —	$ —

The accompanying notes are an integral part of the consolidated financial statements.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business and Overview

Celldex Therapeutics, Inc. (formerly known as AVANT Immunotherapeutics, Inc.) (the "Company" or "Celldex") is engaged in the discovery, development and commercialization of products that harness the human immune system to prevent and treat disease. The Company is developing a portfolio of vaccines and targeted immunotherapeutics addressing a wide range of applications including oncology, infectious and inflammatory diseases. The portfolio includes a pipeline of therapeutic cancer vaccines, monoclonal antibodies, single-dose, oral vaccines aimed at protecting travelers and people in regions where infectious diseases are endemic and a treatment to reduce complement-mediated tissue damage. The Company is advancing a pipeline of clinical and preclinical product candidates, the most advanced of which are for treatment of various cancers. The Company's lead programs are therapeutic cancer vaccines designed to instruct the patient's immune system to recognize and destroy cancer cells. The Company further leverages the value of its technology portfolio through corporate, governmental and non-governmental partnerships. One successful collaboration resulted in our license of a rotavirus strain to GlaxoSmithKline that was used in the development of an oral human rotavirus vaccine. Current collaborations encompass the development of vaccines addressed to cancer therapies, global health, human food safety and animal health. The Company's product candidates address large market opportunities for which the Company believes current therapies are inadequate or non-existent.

Merger between AVANT and Celldex: On March 7, 2008, Celldex (formerly known as AVANT Immunotherapeutics, Inc.) completed the merger of Callisto Merger Corporation ("Merger Sub"), a wholly owned subsidiary of Celldex, with and into Celldex Research Corporation (formerly known as Celldex Therapeutics, Inc.) ("Celldex Research"), a privately-held company, (the "Merger"). Effective October 1, 2008, the Company changed its name from AVANT Immunotherapeutics, Inc. to Celldex Therapeutics, Inc.

At the special meeting of the Company's shareholders held on March 6, 2008 in connection with the Merger, stockholders approved four proposals: (i) the issuance of shares of the Company's common stock pursuant to the Merger Agreement in the amount necessary to result in the former Celldex Research stockholders owning 58% of the Company's common stock on a fully diluted basis, (ii) an amendment to the Company's Third Restated Certificate of Incorporation to increase the number of authorized shares to 300,000,000, (iii) an amendment to the Company's Third Restated Certificate of Incorporation to effect a reverse stock split in a ratio ranging from one-for-twelve to one-for-twenty of all the issued and outstanding shares of the Company's common stock, the final ratio to be determined by the Company's board of directors and (iv) adoption of the 2008 Stock Option and Incentive Plan.

Also, pursuant to the terms of the Merger Agreement, former Celldex Research shareholders received 4.96 shares of the Company's common stock in exchange for each share of Celldex Research common stock and Class A common stock they owned at the effective time of the Merger, plus cash in lieu of fractional shares. The Company also assumed all of Celldex Research's stock options outstanding at the effective time of the Merger.

The Company's board of directors approved a 1-for-12 reverse stock split of the Company's common stock, which became effective on March 7, 2008. As a result of the reverse stock split, each twelve shares of common stock were combined and reclassified into one share of common stock and the total number of shares outstanding was reduced from approximately 180 million shares (including

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the shares issued to former Celldex Research stockholders in the Merger) to approximately 15 million shares.

The Merger was accounted for using the purchase method of accounting and was treated as an acquisition by Celldex Research of Celldex (then AVANT), with Celldex Research being considered the accounting acquirer based on the application of criteria specified in Statement of Financial Accounting Standards ("SFAS") No. 141, *Business Combination*, ("SFAS 141"), even though Celldex (then AVANT) was the issuer of common stock and the surviving legal entity in the transaction. Under the purchase method of accounting, the deemed purchase price was allocated to AVANT's underlying tangible and identifiable intangible assets acquired and liabilities assumed based upon the respective fair value of each with any excess deemed purchase price allocated to goodwill. The valuation analysis conducted by the Company determined that the fair value of assets acquired and the fair value of liabilities assumed by Celldex Research exceeded the purchase price for AVANT, resulting in negative goodwill of approximately $6.0 million. In accordance with SFAS 141, the negative goodwill has been allocated to all of the acquired assets that were non-financial and non-current assets, including property and equipment, identifiable intangible assets, and in-process research and development. See Note 17 to the Company's consolidated financial statements for additional information.

Because Celldex Research was determined to be the acquirer for accounting purposes, the historical financial statements of Celldex Research became the historical financial statements of the Company as of the closing of the Merger. Accordingly, the financial statements of the Company prior to the Merger reflect the financial position, results of operations and cash flows of Celldex Research, which during the historical periods presented in the accompanying consolidated financial statements, was then majority-owned by Medarex, Inc. ("Medarex"). Following the Merger, the financial statements of the current period reflect the financial position, results of operation and cash flows of the Company. The results of operations of AVANT are included in the results of operations of the Company beginning March 8, 2008. Accordingly, except as otherwise discussed below, this report reflects the financial condition, results of operations and liquidity of the combined companies at December 31, 2008 and historically of Celldex Research on a stand-alone basis for all periods prior to March 8, 2008.

The Company's cash and cash equivalents at December 31, 2008 were $44,257,286. Its working capital at December 31, 2008 was $32,974,858. The Company incurred a loss of $47,500,571 for the year ended December 31, 2008. Net cash provided by operations for the year ended December 31, 2008 was $18,280,766. The Company believes that cash inflows from existing grants and collaborations, interest income on invested funds and its current cash and cash equivalents will be sufficient to meet estimated working capital requirements and fund operations beyond December 31, 2009. The working capital requirements of the Company are dependent on several factors including, but not limited to, the costs associated with research and development programs, pre-clinical and clinical studies, manufacture of clinical materials and the scope of collaborative arrangements.

During 2009, Celldex may take steps to raise additional capital including, but not limited to, the licensing of technology programs with existing or new collaborative partners, possible business combinations, or the issuance of common stock via private placements or public offerings. The Company believes that its current cash and cash equivalents are sufficient to fund planned operations for at least the next twelve months. While the Company continues to seek capital through a number of means, there can be no assurance that additional financing will be available on acceptable terms, if at

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

all, particularly in light of the recent disruptions in the financial markets and the Company's negotiating position in capital-raising efforts may worsen as existing resources are used. There is also no assurance that the Company will be able to enter into further collaborative relationships. Additional equity financing may be dilutive to the Company's stockholders; debt financing, if available, may involve significant cash payment obligations and covenants that restrict the Company's ability to operate as a business; and licensing or strategic collaborations may result in royalties or other terms that reduce the Company's economic potential from products under development. If the Company is unable to raise the necessary funds, it may have to delay or discontinue the development of programs, license out programs earlier than expected, raise funds at significant discount or on other unfavorable terms, if at all, or evaluate a sale of all or a part of the Company.

On April 16, 2008, the Company and Pfizer Inc. ("Pfizer") entered into a License and Development Agreement (the "Pfizer Agreement") under which Pfizer will be granted an exclusive worldwide license to a therapeutic cancer vaccine candidate, CDX-110, in Phase 2 development for the treatment of glioblastoma multiforme ("GBM"). The Pfizer Agreement also gives Pfizer exclusive rights to the use of EGFRvIII vaccines in other potential indications. Under the Pfizer Agreement, Pfizer made an upfront payment to the Company of $40 million and made a $10 million equity investment in the Company. Pfizer will fund all development costs for these programs. The Company is also eligible to receive potential milestone payments exceeding $390 million for the successful development and commercialization of CDX-110 and additional EGFRvIII vaccine products, as well as royalties on any product sales.

On April 3, 2008, Rotarix® received Food and Drug Administration ("FDA") market approval for the prevention of rotavirus gastroenteritis in infants. FDA approval triggered a $1.5 million milestone payment to the Company from GlaxoSmithKline plc ("Glaxo"), $750,000 of which the Company has retained under the Company's agreement with Paul Royalty Fund ("PRF"). Rotarix® is now licensed in over 100 countries worldwide including the U.S. and the European Union. Glaxo initiated its U.S. launch of Rotarix® during the third quarter of 2008 which resulted in the Company receiving a $10 million milestone payment from PRF in October 2008.

Basis of Presentation

The consolidated financial statements include the accounts of Celldex Therapeutics, Inc. and its direct and indirect wholly-owned subsidiaries: Celldex Research, Celldex Therapeutics, Ltd. ("Celldex Ltd.") and Megan Health, Inc. ("Megan"). All intercompany transactions have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term investments with original maturities of three months or less. Cash and cash equivalents are stated at cost, which approximates fair value. At December 31, 2008, investments were primarily in money market mutual funds.

Celldex may invest its cash in debt instruments of financial institutions, government entities and corporations, and mutual funds. The Company has established guidelines relative to credit ratings, diversification and maturities to mitigate risk and maintain liquidity. Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

equivalents and accounts receivable. Cash and cash equivalents consist of cash and money market funds which are all held with three financial institutions in the U.S. and one financial institution in the United Kingdom.

Investment in Securities

In August 2008, the Company sold its equity investment in Select Vaccines Limited ("Select Vaccines") shares for net proceeds of $250,882 and recorded a loss of $297,129. The Company had classified its equity investment in Select Vaccines shares as available-for-sale securities under SFAS 115, *Accounting for Certain Investments in Debt and Equity Securities*, ("FAS 115").

Restricted Cash

Restricted cash of $182,130 and $180,139 at December 31, 2008 and December 31, 2007, respectively, represents security deposits for the Company's facilities in Phillipsburg, New Jersey, of which the Company took occupancy in 2006.

Fair Value of Financial Instruments

The Company enters into various types of financial instruments in the normal course of business. The carrying amounts of the Company's cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values due to the short-term nature of these financial instruments. Receivables are concentrated in the pharmaceutical industry and from United Kingdom Inland Revenue. Management considers the likelihood of market credit risk to be remote.

Accounts Receivable and Significant Customers

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The Company has not historically experienced credit losses from its accounts receivable and therefore has not established an allowance for doubtful accounts. The Company does not have any off-balance-sheet credit exposure related to its customers.

Accounts and other receivables consist of the following:

	December 31, 2008	December 31, 2007
Trade	$ 1,690,029	$ —
Other	136,656	132,496
	$ 1,826,685	$ 132,496

At December 31, 2008, trade receivables primarily consist of $1,431,382 due from Pfizer (see Note 10).

Other receivables primarily consist of money market interest receivable, an employee loan receivable and research and development tax credit receivable from United Kingdom Inland Revenue.

For the year ended December 31, 2008, revenue from Glaxo and Pfizer represented 50% and 38%, respectively, of total Company revenue. For the years ended December 31, 2007 and 2006, certain

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

customers represented more than 10% of total Company revenue. This was due to low levels of revenue in such years, and these customers in future years are not expected to represent 10% or more of total Company revenue.

Long-Lived Assets:

In the ordinary course of its business, the Company incurs substantial costs to construct property and equipment. The treatment of costs to construct these assets depends on the nature of the costs and the stage of construction. Costs incurred in the project planning and design phase, and in the construction and installation phase, are capitalized as part of the cost of the asset. The Company stops capitalizing costs when the asset is substantially complete and ready for its intended use.

For manufacturing property and equipment, the Company also capitalizes the cost of validating these assets for the underlying manufacturing process. Celldex completes the capitalization of validation costs when the asset is substantially complete and ready for its intended use. Costs capitalized include incremental labor and fringe benefits, and direct consultancy services.

Property and equipment is stated at cost and depreciated over the estimated useful lives of the related assets using the straight-line method. Laboratory equipment and office furniture and equipment are depreciated over a five-year period and computer equipment is depreciated over a three-year period. Manufacturing equipment is amortized over a seven- to ten-year period. Leasehold improvements are amortized over the shorter of the estimated useful life or the non-cancelable term of the related lease, including any renewals that are reasonably assured of occurring. Property and equipment under construction is classified as construction in progress and is depreciated or amortized only after the asset is placed in service. Expenditures for maintenance and repairs are charged to expense whereas the costs of significant improvements which extend the life of the underlying asset are capitalized. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation are eliminated and the related gains or losses are reflected in net income.

Accounting for the Impairment of Long-Lived Assets:

The Company periodically evaluates its long-lived assets, primarily property and equipment and intangible assets for potential impairment under SFAS No. 144, *Accounting for the Impairment of Long-Lived Assets*, ("SFAS No. 144"). The Company performs these evaluations whenever events or changes in circumstances suggest that the carrying amount of an asset or group of assets is not recoverable. Indicators of potential impairment include:

- a significant change in the manner in which an asset is used;
- a significant decrease in the market value of an asset;
- a significant adverse change in its business or the industry in which it is sold; and
- a current period operating cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the asset.

If the Company believes an indicator of potential impairment exists, the carrying values of the assets are evaluated in relation to the operating performance and future undiscounted cash flows of the underlying asset. The net book value of an asset is adjusted to fair value if its expected future

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

undiscounted cash flows are less than its book value. The Company charges impairments of the long-lived assets to operations if its evaluations indicate that the carrying value of these assets is not recoverable. Management had identified no indicators of impairment at December 31, 2008. When we determine that the carrying value of intangible assets or long-lived assets is not recoverable, we may be required to record impairment charges for these assets that have not been previously recorded.

Accounting for Patent Costs:

Patent costs are expensed as incurred. Certain patent costs are reimbursed by the Company's product development and licensing partners. Any reimbursed patent costs are recorded as product development and licensing agreement revenues in the Company's financial statements.

Interest Capitalization

The Company capitalizes interest cost as part of the historical cost of acquiring certain assets during the period of time required to get the asset ready for its intended use. The amount of capitalized interest is limited to the amount of interest incurred by the Company and has not been significant to the Company's financial position or results of operations.

Operating Leases

The Company presently has three facilities that are located at Phillipsburg, New Jersey, and Needham and Fall River, Massachusetts, under non-cancellable operating lease agreements for office, laboratory and manufacturing space. The rent payments for the three locations escalate over the lease term. Rent expense is recorded on a straight-line basis over the terms of the leases, including any renewals that are reasonably assured of occurring. The difference between rent expense and amounts paid under the lease agreements is recorded as deferred rent liability in the accompanying consolidated balance sheets. Tenant improvements paid by the landlord are capitalized as leasehold improvements and amortized over the shorter of their estimated useful lives or the remaining lease term.

Intangible Assets

The Company has acquired intangible assets, which include core technology, developed technology and a strategic partner agreement, through the Merger and the acquisition of Lorantis Limited ("Lorantis"). These acquired intangible assets are being amortized on a straight-line basis over their estimated lives, which range from 4.5 to 11 years. The determination of the amortization period involves estimates and judgments on management's part. Any significant changes in the Company's estimates or assumptions could impact the carrying value of acquired intangible assets. The Company evaluates the recoverability of these assets when facts and circumstances suggest the asset could be impaired in accordance with SFAS No. 144.

Revenue Recognition

The Company accounts for revenue arrangements that include multiple deliverables in accordance with Emerging Issues Task Force ("EITF") No. 00-21, *Accounting for Revenue Arrangements with Multiple Deliverables* ("EITF 00-21"). EITF 00-21 addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. In applying the guidance,

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

revenue arrangements with multiple deliverables can only be considered as separate units of accounting if (i) the delivered item has value to the customer on a standalone basis, (ii) there is objective and reliable evidence of the fair value of the undelivered items and (iii) if the right of return exists, delivery of the undelivered items is considered probable and substantially in the control of the vendor. If these criteria are not met, the revenue elements must be considered a single unit of accounting for purposes of revenue recognition.

Payments received to fund certain research activities are recognized as revenue in the period in which the research activities are performed. Payments received in advance that are related to future performance are deferred and recognized as revenue when the research projects are performed.

The Company has entered into various license and development agreements with pharmaceutical and biotechnology companies. The terms of the agreements typically include non-refundable license fees, funding of research and development, payments based upon achievement of certain milestones and royalties on net product sales. Non-refundable license fees are recognized as contract and license fee revenue when the Company has a contractual right to receive such payments, provided that (i) a contractual arrangement exists, (ii) the contract price is fixed or determinable, (iii) the collection of the resulting receivable is reasonably assured and (iv) the Company has no further performance obligations under the license agreement. Upfront non-refundable fees associated with license and development agreements where the Company has continuing performance obligations under the terms of the agreement are recorded as deferred revenue and recognized as revenue over the estimated service period as the Company completes its obligations. Where the Company's level of effort is relatively constant over the performance period or no other pattern is estimable, the revenue is recognized on a straight-line basis. Revenue is limited to the lesser of the cumulative amount of payments received or the cumulative amount of revenue earned, as determined using the straight-line basis, as of the period ending date. If the estimated service period is subsequently modified, the period over which the upfront fee is recognized is modified accordingly on a prospective basis. The determination of the performance period involves judgment on management's part. Funding of research and development is recognized as revenue over the term of the applicable contract as costs are incurred related to that contract.

Milestone payments are recognized as revenue upon the achievement of mutually agreed milestones, provided that (i) the milestone event is substantive and its achievement is not reasonably assured at the inception of the agreement, and (ii) there is no continuing performance obligations associated with the milestone payment. Revenues from milestone payments related to arrangements under which the Company has continuing performance obligations are recognized as revenue upon achievement of the milestone only if all of the following conditions are met: (i) the milestone payments are non-refundable; (ii) achievement of the milestone was not reasonably assured at the inception of the arrangement; (iii) substantive effort is involved in achieving the milestone; and, (iv) the amount of the milestone is reasonable in relation to the effort expended or the risk associated with achievement of the milestone. If any of these conditions are not met, the milestone payments are deferred and recognized as revenue over the term of the arrangement as Celldex completes its performance obligations.

The Company has capitalized and deferred costs incurred in connection with the one-time signing and upfront payment (the initial deliverable) received with respect to a multiple deliverable

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

arrangement. If there is deemed a single unit of accounting for such an arrangement, the capitalized deferred costs are amortized over the expected performance period of the arrangement.

Revenue from contracts and grants, including U.S. government grants under Small Business Innovation Research ("SBIR"), is recognized as the services are performed and recorded as effort is expended on the contracted work and billed to the government or our contractual partner. Product royalty revenue consists of payments received from licensees for a portion of sales proceeds from products that utilize Celldex's licensed technologies and are recognized when the amount of and basis for such royalty payments are reported to us in accurate and appropriate form and in accordance with the related license agreement. Payments received in advance of activities being performed are recorded as deferred revenue. Any significant changes in the Company's estimates or assumptions could impact its revenue recognition.

Research and Development Costs

Research and development costs, including internal and contract research costs, are expensed as incurred. Research and development expenses consist mainly of clinical trial costs, manufacturing of clinical material, toxicology and other studies, salaries, depreciation, technology access fees, royalty fees, including the cost of Rotarix® royalty revenues retained by the Company, and funding of outside research. Costs to acquire technologies that are utilized in research and development that have no alternative future use are expensed as incurred.

Acquired In-Process Research and Development

Acquired In-Process Research and Development ('IPR&D") represents the fair value assigned to research and development projects that we acquire that have not been completed at the date of acquisition and which have no future alternative use. Accordingly, the fair value of such projects is recorded as in process research and development expense as of the acquisition date.

The value assigned to acquired IPR&D is determined by estimating the costs to develop the acquired technology into commercially viable products, estimating the resulting net cash flows from the projects, and discounting the net cash flows to present value. The revenue and costs projections used to value IPR&D were, as applicable, reduced based on the probability of developing a new drug. Additionally, the projections considered the relevant market sizes and growth factors, expected trends in technology, and the nature and expected timing of new product introductions by us and our competitors. The resulting net cash flows from such projects are based on management's estimates of revenues, cost of sales, operating expenses, and income taxes from such projects. The rates utilized to discount the net cash flows to their present value were commensurate with the stage of development of the projects and uncertainties in the economic estimates used in the projections described above.

If these projects are not successfully developed, the operations of the company may be adversely affected in future periods. Additionally, the value of other acquired intangible assets may become impaired. We believe that the assumptions used in the Company's IPR&D analysis were reasonable at the time of the respective acquisition. No assurance can be given, however, that the underlying assumptions used to estimate expected project revenues, development costs or profitability, or the events associated with such projects, will transpire as estimated.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Clinical Research and Contract Manufacturing Accruals

Most of the Company's clinical trials are performed by third-party contract research organizations ("CROs") and certain clinical supplies are manufactured by contract manufacturing organizations ("CMOs"). Invoicing from these third parties may be monthly based upon services performed or based upon milestones achieved. The Company accrues these expenses based upon its assessment of the status of each study or manufacturing activity and the work completed, and upon information obtained from the CROs and CMOs.

Foreign Currency Translation

The financial statements of Celldex Ltd have been translated into U.S. dollars in accordance with SFAS No. 52, *Foreign Currency Translation*. All asset and liability accounts have been translated using the exchange rates in effect at the balance sheet date. Revenues and expenses have been translated using the average exchange rate for the period. Translated gains and losses resulting from the changes in exchange rates have been reported in other comprehensive income (loss). As of December 31, 2008 and December 31, 2007, the accumulated unrealized foreign exchange translation gains (losses) included in accumulated other comprehensive income were ($2,605,726) and $2,619,036, respectively.

Income Taxes

The Company accounts for income taxes in accordance with the provisions of SFAS No. 109, *Accounting For Income Taxes*. The Company uses the asset and liability method to account for income taxes, including the recognition of deferred tax assets and deferred tax liabilities for the anticipated future tax consequences attributable to differences between financial statement amounts and their respective tax bases. Quarterly, the Company reviews its deferred tax assets for recovery. A valuation allowance is established when the Company believes that it is more likely than not that its deferred tax assets will not be realized. Changes in valuation allowances from period to period are included in the Company's tax provision in the period of change.

Net Loss Per Share

The Company computes and reports earnings per share in accordance with the provisions of SFAS No. 128, *Earnings Per Share*. The computations of basic and diluted loss per common share are based upon the weighted average number of common shares outstanding and potentially dilutive securities. Potentially dilutive securities include stock options and warrants. Options to purchase 2,070,993, 787,440 and 1,058,659 shares of common stock were not included in the December 31, 2008, 2007 and 2006 computation of diluted net loss per share, respectively, because inclusion of such shares would have an anti-dilutive effect on net loss per share. Share amounts shown on the consolidated balance sheets and share amounts and basic and diluted net loss per share amounts shown on the consolidated statements of operations and comprehensive loss have been adjusted to reflect the Merger exchange ratio and a reverse stock split of 1-for-12 effective March 7, 2008.

Comprehensive Loss

SFAS No. 130, *Reporting Comprehensive Income*, ("SFAS No. 130") established the standards for reporting and displaying comprehensive income (loss) in financial statements. Comprehensive income

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(loss) is defined to include all changes in stockholders' equity (deficit) during the period other than those changes that result from investments by and distributions to stockholders. During the years ended December 31, 2008, 2007 and 2006, the Company reported other comprehensive income (loss) of ($13,310), $230,840 and $2,882,403, respectively, related to unrealized foreign exchange translation gains.

Stock-Based Compensation

The Company accounts for stock-based awards under SFAS No. 123 (revised 2004), *Share-Based Payment*, ("SFAS No. 123(R)"), which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to the Employee Stock Purchase Plan ("employee stock purchases") based on estimated grant date fair values.

Compensation expense for all share-based payment awards to employees are recognized using the straight-line method over the term of vesting or performance. As stock-based compensation expense recognized in the Consolidated Statement of Operations is based on awards ultimately expected to vest, compensation expense has been reduced for estimated forfeitures. SFAS No. 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The Company estimates the fair value of share-based awards granted using the Black-Scholes option-pricing model ("Black-Scholes model"). The Company's determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors.

SFAS No. 123(R) did not change the accounting guidance for how the Company accounts for options issued to non-employees. The Company accounts for options issued to non-employees in accordance with SFAS No. 123(R) and EITF Issue No. 96-18, *Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*. The value of such options is periodically re-measured and income or expense is recognized during the vesting terms.

See Note 3 for additional information.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment Information

SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information on operating segments in interim and annual financial statements. The Company has determined that it is engaged in one industry segment, which is the business of development, manufacturing and commercialization of novel therapeutics for human health care. Management uses consolidated financial information in determining how to allocate resources and assess performance and reviews our operating results on an aggregate basis and manages our operations as a single operating segment.

Recent Accounting Pronouncements

SFAS 141(R) and SFAS 160: In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141(R), *Business Combinations*, ("SFAS No. 141(R)"), and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*, ("SFAS No. 160"), which introduce significant changes in the accounting for and reporting of business acquisitions and noncontrolling interests in a subsidiary. SFAS No. 141(R) is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption of both statements is prohibited. The adoption of SFAS No. 141(R) and SFAS No. 160 will only have an impact on the Company's financial statements if it is involved in a business combination that occurs after January 1, 2009.

EITF 07-1: In December 2007, the EITF reached a consensus on Issue No. 07-1, *Accounting for Collaborative Arrangements* ("EITF 07-1"). The EITF concluded on the definition of a collaborative arrangement and that revenues and costs incurred with third parties in connection with collaborative arrangements would be presented gross or net based on the criteria in EITF 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent*, and other accounting literature. Based on the nature of the arrangement, payments to or from collaborators would be evaluated and its terms, the nature of the entity's business, and whether those payments are within the scope of other accounting literature would be presented. Companies are also required to disclose the nature and purpose of collaborative arrangements along with the accounting policies and the classification and amounts of significant financial statement amounts related to the arrangements. Activities in the arrangement conducted in a separate legal entity should be accounted for under other accounting literature; however, required disclosure under EITF 07-1 applies to the entire collaborative agreement. EITF 07-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, and is to be applied retrospectively to all periods presented for all collaborative arrangements existing as of the effective date. The Company is currently evaluating the effect that the adoption of EITF 07-01 will have on its results of operations and financial condition.

FSP No. FAS 142-3: In April 2008, the FASB staff issued FASB Staff Position ("FSP") No. FAS 142-3, *Determination of the Useful Life of Intangible Assets* ("FSP No. FAS 142-3"). FSP No. FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB No. 142.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The intent of this FSP is to improve the consistency between the useful life of a recognized intangible under Statement 142 and the period of expected cash flows used to measure fair value of the asset under FASB No. 141 and other accounting principles generally accepted in the United States of America ("U.S.GAAP"). The FSP is effective for financial statements issued for fiscal years beginning after December 31, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The adoption of FSP No. FAS 142-3 is not expected to have a material impact on Celldex's financial position and results of operations.

SFAS 162: In May 2008, FASB issued SFAS No. 162, *"The Hierarchy of Generally Accepted Accounting Principles"*, or SFAS 162. SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements that are presented in conformity with generally accepted accounting principles in the United States. SFAS 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *"The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles."* The Company does not expect SFAS 162 to have a material impact on its results of operations and financial condition.

EITF 03-6-1: In June 2008, FASB issued FASB Staff Position No. EITF 03-6-1, *"Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities"*, or FSP EITF 03-6-1. FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share (EPS) under the two-class method described in paragraphs 60 and 61 of FASB Statement No. 128, *"Earnings per Share"*, or SFAS 128. The guidance applies to the calculation of EPS under SFAS 128 for share-based payment awards with rights to dividends or dividend equivalents. FSP EITF 03-6-1 clarifies that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of EPS pursuant to the two class method. FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. All prior-period EPS data presented shall be adjusted retrospectively (including interim financial statements, summaries of earnings and selected financial data) to conform with the provisions of this FSP. Early adoption is not permitted. The Company does not expect the adoption of FSP EITF 03-6-1 will have a material impact on its results of operations and financial condition.

(2) FAIR VALUE MEASUREMENTS

On January 1, 2008, the Company adopted SFAS No. 157, *Fair Value Measurements*, ("SFAS No. 157"), and SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115*, ("SFAS No. 159"), for its financial assets and liabilities. The adoption of SFAS No. 157 did not have a material impact on the Company's financial position or results of operations. As permitted by FASB Staff Position No. FAS 157-2, *Effective Date of FASB Statement No. 157*, the Company elected to defer the adoption of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis, until January 1, 2009. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(2) FAIR VALUE MEASUREMENTS (Continued)

not currently required to be measured at fair value. The Company did not elect to adopt the fair value option for eligible financial instruments under SFAS No. 159.

SFAS No. 157 provides a framework for measuring fair value under U.S. GAAP and requires expanded disclosures regarding fair value measurements. SFAS No. 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact.

SFAS No. 157 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. SFAS No. 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available, and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities. The Company's Level 1 assets consist of cash equivalents. As of December 31, 2008, the Company held cash equivalents of $43,456,657 held in money market funds.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Company had no Level 2 assets or liabilities at December 31, 2008.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Company had no material Level 3 assets or liabilities at December 31, 2008.

The Company's financial instruments consist mainly of cash and cash equivalents, short-term accounts receivable, accounts payable and debt obligations. Short-term accounts receivable and accounts payable are reflected in the accompanying consolidated financial statements at cost, which approximates fair value due to the short-term nature of these instruments.

(3) STOCK-BASED COMPENSATION

As of December 31, 2008, the Company had two shareholder approved, share-based compensation plans: the 2004 Employee Stock Purchase Plan (the "2004 ESPP Plan") and the 2008 Stock Option and Incentive Plan (the "2008 Plan").

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(3) STOCK-BASED COMPENSATION (Continued)

Employee Stock Purchase Plan

The 2004 ESPP Plan was adopted on May 13, 2004 and assumed by the Company in connection with the Merger. All full time employees of the Company are eligible to participate in the 2004 ESPP Plan. A total of 12,500 shares of common stock are reserved for issuance under the 2004 ESPP Plan. Under the 2004 ESPP Plan, each participating employee may contribute up to 15% of his or her compensation to purchase up to 100 shares of common stock per year in any six-month offering period and may withdraw from the offering at any time before stock is purchased. Participation terminates automatically upon termination of employment. The purchase price per share of common stock in an offering is 85% of the lower of its fair market value at either the beginning of the offering period or the applicable exercise date. At December 31, 2008, 9,885 shares were available for issuance under the 2004 ESPP Plan.

As a consequence of the Merger, no purchase period was offered beginning on January 1, 2008. The last purchase period began on July 1, 2008 and ended on December 31, 2008.

Employee Stock Option and Incentive Plan

Stock Option Plan Description

On March 6, 2008, the Company's 2008 Plan was adopted at a special meeting of its shareholders. The 2008 Plan replaced the 1999 Stock Option and Incentive Plan (the "1999 Plan") and the Amended and Restated 1991 Stock Compensation Plan, which was an amendment and restatement of the Company's 1985 Incentive Option Plan. The 2008 Plan permits the granting of incentive stock options (intended to qualify as such under Section 422A of the Internal Revenue Code of 1986, as amended), non-qualified stock options, stock appreciation rights, performance share units, restricted stock and other awards of restricted stock in lieu of cash bonuses to employees, consultants and outside directors.

The 2008 Plan allows for a maximum of 1,500,000 shares of common stock to be issued prior to October 19, 2017. The board of directors determines the term of each option, option price, and number of shares for which each option is granted and the rate at which each option vests. Options generally vest over a period not to exceed four years. The term of each option cannot exceed ten years (five years for options granted to holders of more than 10% of the voting stock of the Company) and the exercise price of stock options cannot be less than the fair market value of the common stock at the date of grant (110% of fair market value for incentive stock options granted to holders of more than 10% of the voting stock of the Company). The 2008 Plan also provides for discretionary grants of non-qualified stock options to non-employee directors. Vesting of all employee and non-employee director stock option awards is accelerated upon a change in control as defined in the 2008 Plan.

In connection with the Merger, the Company assumed the obligations of Celldex Research under Celldex Research's 2005 Equity Incentive Plan (the "Celldex Research 2005 Plan") and each outstanding option to purchase Celldex Research common stock (a "Celldex Research Stock Option") granted under the Celldex Research 2005 Plan. Each Celldex Research Stock Option assumed by the Company is deemed to constitute an option to acquire, on the same terms and conditions as were applicable under the Celldex Research 2005 Plan, shares of the Company's common stock that have been adjusted consistent with the ratio at which the Company's common stock was issued in exchange for Celldex Research's common stock in the Merger. As of March 7, 2008, the Company assumed

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(3) STOCK-BASED COMPENSATION (Continued)

options to acquire 1,446,913 shares of its common stock at a weighted average exercise price of $8.35. The Celldex Research Stock Options generally vest over a two-to four-year period and the term of each option cannot exceed ten years from the date of grant. No additional awards will be issued under the Celldex Research 2005 Plan.

General Option Information

A summary of stock option activity under the 2008 Plan and the Celldex Research 2005 Plan for the year ended December 31, 2008, adjusted to reflect the Merger exchange ratio and a reverse stock split of 1-for-12 effective March 7, 2008, is as follows:

	Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (In Years)
Options Outstanding at January 1, 2008	787,440	$ 12.70	5.81
Granted	2,738,545	8.36	
Exercised	—	—	
Canceled/forfeited	(1,450,707)	10.62	
Expired	(4,285)	22.71	
Options Outstanding at December 31, 2008	2,070,993	$ 8.39	8.69
Options Vested and Expected to Vest at December 31, 2008	1,878,642	$ 8.40	8.68
Options Exercisable at December 31, 2008	1,154,473	$ 8.46	8.94
Options Available for Grant	875,506		
Weighted Average Fair Value of Options Granted during the year	$ 4.37		

The aggregate intrinsic value of options outstanding at December 31, 2008 was $80,478.

Non-Employee Grants

The Company has historically granted stock options to consultants for services. These options were issued at or above their fair market value on the date of grant and generally have four-year vesting terms from date of grant. Should the Company or the consultant terminate the consulting agreements, any unvested options will be cancelled. Options issued to non-employees are marked-to-market, which means that as the Company's stock price fluctuates, the related expense either increases or decreases. The Company recognized expense of $409,229, $85,515 and $41,638 related to non-employee consultant stock options for the years ended December 31, 2008, 2007 and 2006, respectively.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(3) STOCK-BASED COMPENSATION (Continued)

Valuation and Expenses Information

The following table summarizes stock-based compensation expense related to employee and non-employee stock options and employee stock purchases for the years ended December 31, 2008, 2007 and 2006, respectively, which was allocated as follows:

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
Research and development	$1,648,997	$ 423,819	$ 671,525
General and administrative	3,166,696	1,181,103	1,088,640
Total stock-based compensation expense	$4,815,693	$1,604,922	$1,760,165

Based on basic and diluted weighted average common shares outstanding of 14,217,388, 8,309,420 and 8,278,500, the effect of stock-based compensation expense recorded for the years ended December 31, 2008, 2007 and 2006 had a $0.34 per share, $0.19 per share and $0.21 per share negative impact on basic and diluted net loss per common share, respectively.

During the quarter ended March 31, 2008, the Company entered into an Option Cancellation Agreement concurrent with a Stock Option Grant Agreement with Celldex Research employees. The Option Cancellation Agreement provided for the cancellation of all previously granted options under the Celldex Research 2005 Plan while the Stock Option Grant Agreement provided for the re-grant of stock options pursuant to the Option Cancellation Agreement. In addition, at the consumption of the Merger, all options to purchase former Celldex Research common stock then outstanding under the Celldex Research 2005 Plan were assumed by the Company and converted into options to purchase shares of the Company's common stock. The number of shares subject to the outstanding awards and related exercise price was proportionately adjusted by the same exchange ratio as former Celldex Research shareholders received in accordance with the provisions of the Celldex Research 2005 Plan.

The Company considered both the re-grant of stock options and exchange of Celldex Research options into options to acquire shares of the Company's common stock as a modification under the provisions of SFAS No. 123(R). The modification affected a total of 15 employees, including members of the Celldex Research board of directors. The total incremental compensation cost resulting from the modifications amounted to approximately $2.6 million, of which $0.9 million was related to vested awards and was recognized immediately as stock based compensation in the quarter ended March 31, 2008.

In accordance with Dr. Ryan's Severance Agreement (which is discussed further in Note 16), the Company granted Dr. Ryan fully vested stock options for 153,125 shares as of July 16, 2008, the effective date of the Severance Agreement, and recorded $1.3 million of stock-based compensation in general and administrative expense during the quarter ended September 30, 2008.

As of December 31, 2008, total compensation cost related to non-vested employee and non-employee director stock options not yet recognized was approximately $3.2 million, net of estimated forfeitures, which is expected to be recognized as expense over a weighted average period of 2.01 years. The total fair value of employee and non-employee director stock options vested, including

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(3) STOCK-BASED COMPENSATION (Continued)

the incremental fair value for options vested that were modified, during the twelve months ended December 31, 2008 was $2,785,995.

The fair values of employee and non-employee director stock options granted during the years ended December 31, 2008, 2007 and 2006 were valued using the Black-Scholes model with the following assumptions:

	Year Ended December 31, 2008	Year Ended December 31, 2007(1)	Year Ended December 31, 2006(1)
Expected stock price volatility (employees)	55 - 67%	79.57%	67.1%
Expected stock price volatility (non-employee directors)	57 - 67%	79.5%	67.1%
Expected option term (employees)	3 - 6.25 Years	5 Years	5.2 Years
Expected option term (non-employee directors)	4 - 6 Years	5 Years	5.2 Years
Risk-free interest rate	1.75 - 3.27%	3.85%	4.52%
Expected dividend yield	None	None	None

(1) The assumptions for 2007 and 2006 were used by Celldex Research to calculate fair values of stock option grants.

In 2008, the Company used its daily historical stock price volatility consistent with the expected term of grant as the basis for its expected volatility assumption in accordance with SFAS No. 123(R) and SAB 107 for its employee and non-employee director stock options and employee stock purchases. The Company has concluded that its historical volatility is representative of expected future stock price trends. The expected volatility used by Celldex Research in 2007 and 2006 was based on the average volatility of a group of companies that Celldex Research believed would be considered a peer group had it been a publicly-held company.

The risk-free interest rate assumption is based upon observed interest rates appropriate for the expected term of the Company's employee and non-employee director stock options and employee stock purchases. The dividend yield assumption is based on the Company's history of zero dividend payouts and expectation that no dividends will be paid in the foreseeable future.

The expected term of employee and non-employee director stock options represents the weighted-average period the stock options are expected to remain outstanding. SAB 110 provides for a simplified method for estimating expected term for "plain-vanilla" options. The simplified method is based on the vesting period and the contractual term for each grant or for each vesting tranche for awards with graded vesting. The mid-point between the vesting date and the expiration date is used as the expected term under this method. In December 2007, the Securities and Exchange Commission released SAB 110, which extended the use of the simplified method if a company met certain criteria. The Company has concluded that the Merger represents a significant structural change in its business and in the terms of its share option grants such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term. The Company has elected to follow the guidance of SAB 110 and has adopted the simplified method in determining expected term for all of its

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(3) STOCK-BASED COMPENSATION (Continued)

stock option awards. There were 205,703 stock options granted to non-employee directors during the year ended December 31, 2008.

Forfeitures were estimated based on historical experience by applying an eleven and zero percent forfeiture rate to employee and non-employee director stock option awards granted during the years ended December 31, 2008, respectively.

The Company has not recognized any tax benefits or deductions related to the tax effects of employee stock-based compensation as the Company carries a full deferred tax asset valuation allowance and has significant net operating loss carryforwards available.

(4) RETIREMENT SAVINGS PLAN

The Company's 401(k) Plan (the "401(k) Plan") is intended to be a tax-qualified plan covering substantially all employees. Under the terms of the 401(k) Plan, employees may elect to contribute up to 15% of their compensation, or the statutory prescribed limits. The Company may make 50% matching contributions on up to 4% of a participant's annual salary. Benefit expense for the 401(k) Plan was approximately $74,269, $39,899 and $21,133 for the years ended December 31, 2008, 2007 and 2006, respectively.

(5) PROPERTY AND EQUIPMENT

Property and equipment include the following:

	December 31, 2008	December 31, 2007
Laboratory Equipment	$ 2,448,848	$ 1,551,896
Manufacturing Equipment	1,507,806	—
Office Furniture and Equipment	1,085,549	405,581
Leasehold Improvements	12,564,529	2,046,663
Construction in Progress	70,796	—
Total Property and Equipment	17,677,528	4,004,140
Less Accumulated Depreciation and Amortization	(4,110,348)	(2,086,104)
	$ 13,567,180	$ 1,918,036

A portion of the purchase price in the Merger totaling $15,170,702 has been allocated and recorded to acquired property and equipment above and was then reduced by approximately $2,606,649 of negative goodwill.

As a result of the Merger, the Company has converted its Fall River manufacturing facility to provide mammalian cell culture production capabilities and classified certain manufacturing-related equipment having a fair value of $451,100 as long-lived assets to be disposed of by sale. The fair value was established based on quoted market prices by an equipment re-seller less estimated costs to remove and sell the equipment. During the year ended December 31, 2008, the Company sold six of seven and wrote off one of the long-lived assets held-for-sale for $460,494 and recorded a gain of $9,394 on disposal of assets. During the year ended December 31, 2008, the Company disposed, by sale or

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(5) PROPERTY AND EQUIPMENT (Continued)

abandonment, assets and assets held-for-sale having a net book value of $646,472 and recorded a net loss of $33,795 to research and development expense.

Depreciation expense related to equipment and leasehold improvements was $2,176,427, $710,156 and $769,520 for the years ended December 31, 2008, 2007 and 2006, respectively.

In December 2006, in connection with the assignment of the Company's United Kingdom lease (see Note 16) to a third party, the Company sold certain leasehold improvements, laboratory equipment, and furniture and fixtures for $2,207,854. As a result, the Company recorded a gain on sale of fixed assets in its consolidated statement of operations of $136,161 for the year ended December 31, 2006.

(6) INTANGIBLE AND OTHER ASSETS

Intangible assets include the following:

		December 31, 2008			December 31, 2007		
	Estimated Lives	Gross Intangible Assets	Accumulated Amortization	Net Intangible Assets	Gross Intangible Assets	Accumulated Amortization	Net Intangible Assets
Intangible Assets:							
Core Technology	4.5 - 11 years	$2,193,249	$ (530,778)	$1,662,471	$1,296,000	$ (263,097)	$1,032,903
Strategic Partner Agreement	8 years	629,499	(65,038)	564,461	—	—	—
Asset Held for Sale—Developed Technology	8 years	273,796	(28,288)	245,508	—	—	—
Total Intangible Assets		$3,096,544	$ (624,104)	$2,472,440	$1,296,000	$ (263,097)	$1,032,903

On March 7, 2008, the Merger was completed. Under the purchase method of accounting, the Company determined the identifiable intangible assets acquired based upon the respective fair values of certain technology and intellectual property acquired and license agreement assumed. The Company has determined that these technologies had alternative future uses and will be incorporated into a number of the Company's vaccine programs. A portion of the purchase price in the transaction totaling $2,174,100 was allocated and recorded to acquired intangible assets above and then was reduced by approximately $373,556 of negative goodwill.

At December 31, 2008, the Company classified the intangible asset—"developed technology"—as a long-lived asset to be disposed of by sale due to the Company's negotiations with LAHI at year-end and the subsequent sale of the Megan poultry vaccines business related to the developed technology intangible asset to LAHI in January 2009.

All of the Company's intangible assets are amortized over their estimated useful lives. Total amortization expense for intangible assets was $361,006, $116,932 and $116,932 for the years ended December 31, 2008, 2007 and 2006, respectively.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(6) INTANGIBLE AND OTHER ASSETS (Continued)

The estimated future amortization expense of intangible assets as of December 31, 2008 and the five succeeding years and thereafter is as follows:

Year ending December 31,	Estimated Amortization Expense
2009	$ 381,236
2010	381,236
2011	381,236
2012	305,653
2013	230,071
2014 and thereafter	547,500

At December 31, 2008, the balance of other assets includes the net unamortized balance of $6,413,515 of sublicense income royalty fees paid to Duke and TJU in connection with the Pfizer Agreement. As more fully discussed in Note 10, the Company is recognizing the $40 million upfront license fee received from Pfizer on a straight-line basis over the Company's estimated period of performance of 9.5 years. The Company paid these two research universities a total of $6,865,173 in sublicense income royalty fees directly related to the Pfizer Agreement. The sublicense income royalty fees have been deferred and are being amortized to royalty expense over the same 9.5-year performance period at the rate of $180,663 per quarter.

(7) ACCRUED EXPENSES

Accrued expenses are comprised of amounts owed to employees, vendors, and suppliers for work performed on behalf of us. The Company evaluates the accrued expense balance related to these activities based upon information received from the supplier and estimated progress toward completion of objectives to ensure that the balance is appropriately stated. Such estimates are subject to changes as additional information becomes available. Accrued expenses include the following:

	December 31, 2008	December 31, 2007
Accrued License Fees	$ 672,507	$ —
Accrued Payroll and Employee Benefits	1,953,336	511,038
Accrued Clinical Trials	119,523	424,916
Accrued Manufacturing Expenses	—	97,738
Accrued Professional Fees	432,010	407,212
Accrued Restructuring Expenses	—	1,011,732
Other Accrued Expenses	663,783	66,783
	$3,841,159	$2,519,419

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(8) INCOME TAXES

During the first quarter of 2008 the Company underwent a merger in which Celldex Therapeutics, Inc. (then AVANT) and Celldex Research became a combined group for tax reporting purposes. The merger was treated as a purchase under SFAS 141 with Celldex Research being the accounting acquirer. Together they form a combined group and report income taxes as such with Celldex as the parent company and Celldex Research as the subsidiary. As a result of this merger, all of the prior tax attributes of both Celldex and Celldex Research will carry forward for potential future use subject to potential limitations. These tax attributes are included in the Company's income tax provision.

	Year Ended December 31,		
	2008	2007	2006
Income tax benefit (provision):			
Federal	$ 10,198,100	$ 4,544,800	$ 2,899,100
State	6,958,100	711,000	512,600
Foreign	193,000	844,500	2,602,000
	17,349,200	6,100,300	6,013,700
Deferred tax valuation allowance	(17,349,200)	(6,100,300)	(6,013,700)
	$ —	$ —	$ —

A reconciliation between the amount of reported income tax and the amount computed using the U.S. Statutory rate of 34% follows:

	2008	2007	2006
Pre-tax book income (loss)	$(47,500,572)	$(15,073,050)	$(17,835,262)
Loss at Statutory Rates	(16,108,800)	(4,943,800)	(5,506,600)
Research and Development Credits	(1,325,000)	(306,000)	(276,000)
State Taxes	(6,958,100)	(711,100)	(512,600)
Other	85,300	(139,400)	281,500
In-Process R&D	6,957,400	—	—
Expiration of Net Operating Losses and Research & Development Tax Credits	(7,830,000)	—	—
Change in Valuation Allowance	25,179,200	6,100,300	6,013,700
	$ —	$ —	$ —

Deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and tax basis of assets and liabilities using future expected enacted rates. A valuation allowance is recorded against deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(8) INCOME TAXES (Continued)

The principal components of the deferred tax assets and liabilities at December 31, 2008 and 2007, respectively, are as follows:

	December 31, 2008	December 31, 2007
Gross Deferred Tax Assets		
Net Operating Loss Carryforwards	$ 94,406,000	$ 20,960,000
Tax Credit Carryforwards	15,026,000	1,347,000
Deferred Expenses	16,835,000	2,267,000
Stock-based Compensation	2,049,000	1,148,000
Fixed Assets	1,458,000	571,000
Accrued Expenses and Other	474,000	324,000
Deferred Revenue	2,094,000	477,000
	132,342,000	27,094,000
Gross Deferred Tax Liabilities		
Acquired Intangibles	(101,000)	—
Deferred Tax Assets Valuation Allowance	(132,241,000)	(27,094,000)
Net Deferred Tax Asset (Liability)	$ —	$ —

As of December 31, 2008, the Company had federal and state net operating loss ("NOL") carryforwards of approximately $227,164,000 and $82,685,000, respectively, and federal and state research and development ("R&D") credit carryforwards of approximately $10,425,000 and $6,972,000, respectively. The federal and state net operating loss and R&D credit carryforwards relate primarily to the acquisition of AVANT in the first quarter of 2008. The Company also has a wholly owned subsidiary with net operating losses of approximately $34,416,000. These losses and credits, which expire at various dates starting in 2009 and going through 2028, may be available to offset future federal, state and foreign income tax liabilities. Utilization of the NOL and R&D credit carryforwards may be subject to substantial annual limitation due to ownership change limitations that have occurred previously or that could occur in the future provided by Section 382 of the Internal Revenue Code of 1986, as well as similar state provisions. These ownership changes may limit the NOL and R&D credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain shareholders or public groups in the stock of a corporation by more than 50 percentage points over a three-year period. Since the Company's formation, the Company has raised capital and completed acquisitions through the issuance of capital stock on several occasions which may have resulted in one or more changes of control, as defined by Section 382, or could result in a change of control in the future upon subsequent disposition.

The Company has not currently completed a study to assess whether an ownership change has occurred, or whether there have been multiple ownership changes since our formation, due to the significant complexity and related costs associated with such study. If the Company has experienced a change of control at any time since its formation, utilization of its NOL or tax credit carryforwards

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(8) INCOME TAXES (Continued)

would be subject to an annual limitation under Section 382. Further, until a study is completed and any limitations known, no amounts are being presented as an uncertain tax position under FIN 48.

In addition to uncertainties surrounding the use of NOL carryforwards in a change of control, the Company has identified orphan drug and research and development credits as material components of its deferred tax asset. The uncertainties in these components arise from judgments in the allocation of costs utilized to calculate these credits. The Company has not conducted studies to analyze these credits to substantiate the amounts due to the significant complexity and cost associated with such study. Any limitation may result in expiration of a portion of the NOL or tax credits carryforwards before utilization. Further, until a study is completed and any limitation known, no amounts are being presented as an uncertain tax position under FIN 48.

Massachusetts, New Jersey and Missouri are the three states in which the Company primarily operates or has operated and has income tax nexus. Open federal and state return years subject to examination by major tax jurisdictions include the tax years ended December 31, 2005, 2006 and 2007. Carryforward attributes that were generated prior to 2005 may still be adjusted upon examination by the Internal Revenue Service if they either have been or will be used in a future period. The Company is currently not under examination by the Internal Revenue Service or any other jurisdictions for any tax years.

On January 1, 2007, the Company adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement 109 ("FIN 48"). FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return, including a decision whether to file or not to file in a particular jurisdiction. As a result of the implementation of FIN 48, Celldex recognized no material adjustment in the liability for unrecognized income tax benefits. As a result of the adoption of FIN 48 there is no material impact of unrecognized income tax benefits.

The Company's policy is to recognize interest and penalties related to uncertain tax positions in income tax expense. There have been no interest or penalties recognized in the consolidated statement of operations and on the consolidated balance sheet as a result of FIN 48 calculations. The Company has not recorded any interest and penalties on any unrecognized tax benefits since its inception.

As required by Statement of Financial Accounting Standards No. 109, management has evaluated the positive and negative evidence bearing upon the realizability of its net deferred tax assets, which are comprised principally of net operating loss carryforwards, capitalized R&D expenditures and R&D tax credit carryforwards. Management has determined that it is more likely than not that Celldex will not recognize the benefits of federal and state deferred tax assets and, as a result, a valuation allowance of approximately $132,241,000 has been established at December 31, 2008. The net increase in the valuation allowance for 2008 is primarily due to the acquisition of AVANT.

(9) STOCKHOLDERS' EQUITY

(A) Public and Private Stock Offerings

The Company has a shelf registration statement filed with the Securities and Exchange Commission to register for sale any combination of securities described in the filing up to a dollar

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(9) STOCKHOLDERS' EQUITY (Continued)

amount of $40 million. At December 31, 2008, no securities had been sold by the Company from this shelf registration.

(B) Convertible Preferred Stock

At December 31, 2008, the Company had authorized preferred stock comprised of 96,925 shares of convertible Class B and 3,000,000 shares of convertible Class C of which 350,000 shares has been designated as Class C-1 Junior Participating Cumulative, the terms of which are to be determined by our Board of Directors. There was no preferred stock outstanding at December 31, 2008.

(C) Shareholder Rights Plan

The Company's Board has adopted a Shareholder Rights Plan, as set forth in the Shareholder Rights Agreement between the Company and Computer Investor Services, LLC (formerly EquiServe Trust Company, N.A.), as Rights Agent (the "Rights Agreement"). Pursuant to the terms of the Rights Agreement, the Board declared a dividend distribution of one Preferred Stock Purchase Right for each outstanding share of the Company's common stock. These rights, which expire in November 2014, entitle their holders to purchase from the Company one ten-thousandth of a share (a "Unit") of Series C-1 Junior Participating Cumulative Preferred Stock, par value $0.01 per share, ("C-1 Preferred Stock") at a cash exercise price of $35.00 per Unit, subject to adjustment. The rights will trade separately from the common stock and will become exercisable only when a person or group has acquired 15% or more of the outstanding common stock or upon the commencement by a person or group of a tender offer that would result in such person or group acquiring 15% or more of the outstanding common stock other than as a result of repurchases of stock by the Company or certain inadvertent actions by a shareholder. In the event a person or group acquires 15% or more of the outstanding common stock each holder of a right (except for any such person or group) would be entitled to receive upon exercise sufficient Units of C-1 Preferred Stock to equal a value of two times the exercise price of the purchase right. In the event the Company is acquired in a merger or other business combination transaction or if 50% or more of the Company's assets or earning power is sold, each holder of a right (except for any such person or group described above) would receive upon exercise common stock of the acquiring company with a value equal to two times the exercise price of the right.

As of December 31, 2008, the Company has authorized the issuance of 350,000 shares of C-1 Preferred Stock for use in connection with the shareholder rights plan.

(D) Merger with Celldex

At the special meeting of the Company's shareholders held on March 6, 2008 in connection with the Merger (as described in Note 1), stockholders approved four proposals: (i) the issuance of shares of the Company's common stock pursuant to the Merger Agreement in the amount necessary to result in the former Celldex Research stockholders owning 58% of the Company's common stock on a fully diluted basis, (ii) an amendment to the Company's Third Restated Certificate of Incorporation to increase the number of authorized shares to 300,000,000, (iii) an amendment to the Company's Third Restated Certificate of Incorporation to effect a reverse stock split in a ratio ranging from one-for-twelve to one-for-twenty of all the issued and outstanding shares of the Company's common

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(9) STOCKHOLDERS' EQUITY (Continued)

stock, the final ratio to be determined within the discretion of the Company's board of directors and (iv) adoption of the 2008 Stock Option and Incentive Plan.

The Company's board of directors approved a 1-for-12 reverse stock split of its common stock, which became effective on, March 7, 2008. As a result of the reverse stock split, each twelve shares of common stock were combined and reclassified into one share of common stock and the total number of shares outstanding was reduced from approximately 180 million shares (including the shares issued to former Celldex Research stockholders in the merger) to approximately 15 million shares.

Also, pursuant to the terms of the Merger Agreement, former Celldex Research shareholders received 4.96 shares of common stock in exchange for each share of Celldex common stock and Class A common stock they own. The Company's stockholders retained 42% of, and the former Celldex Research stockholders owned 58% of, the outstanding shares of the Company's common stock on a fully-diluted basis. The Company also assumed all of Celldex Research's stock options outstanding at the time of the Merger.

(10) PRODUCT DEVELOPMENT AND LICENSING AGREEMENTS

Our revenue from product development and licensing agreements was received pursuant to contracts and arrangements with different organizations. Total revenue recognized by us in connection with these contracts for the years ended December 31, 2008, 2007 and 2006 were $7,455,507, $1,405,592 and $899,184, respectively. A summary of these contracts follows:

(A) GlaxoSmithKline plc ("Glaxo") and Paul Royalty Fund II, L.P. ("PRF")

In 1997, the Company entered into an agreement with Glaxo to collaborate on the development and commercialization of the Company's oral rotavirus strain and Glaxo assumed responsibility for all subsequent clinical trials and all other development activities. The Company's licensed-in the rotavirus strain that was used to develop Glaxo's Rotarix® rotavirus vaccine in 1995 and owes a license fee of 30% to Cincinnati Children's Hospital Medical Center ("CCH") on net royalties received from Glaxo. The Company is obligated to maintain a license with CCH with respect to the Glaxo agreement. All licensing fees are included in research and development expense. The term of the Glaxo agreement is through the expiration of the last of the relevant patents covered by the agreement, although Glaxo may terminate the agreement upon 90 days prior written notice.

In May 2005, the Company entered into an agreement whereby an affiliate of PRF purchased an interest in the net royalties the Company will receive on worldwide sales of Rotarix®. Under the PRF agreement, the Company will retain 50% of future Glaxo milestone payments beginning on the effective date of the agreement with PRF, with 70% of the remaining balance payable to PRF and 30% of the remaining balance payable to CCH, respectively. The Company's retained interests in Rotarix® net royalties which were not sold to PRF are recorded as product royalty revenue and a corresponding amount that is payable to CCH is recorded as royalty expense, which is included in research and development expense. For the year ended December 31, 2008, the Company recognized revenue of $3,259,565, including $225,000 related to the GSK milestone payment discussed below, related to its retained interests in Rotarix®, respectively, which is payable to CCH.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(10) PRODUCT DEVELOPMENT AND LICENSING AGREEMENTS (Continued)

On April 3, 2008, Rotarix® received FDA market approval for the prevention of rotavirus gastroenteritis in infants, which triggered a $1.5 million milestone payment to the Company from Glaxo, $750,000 of which the Company has retained under its agreement with PRF. In connection with the Company's purchase accounting for the Merger, the present value of the Company's retained amount, or $742,300, had been recorded as a current asset as of March 31, 2008. During the quarter ended June 30, 2008, the Company also recorded $225,000 in revenue and an offsetting amount in royalty expense for the payable due to CCH for its portion of the Glaxo milestone. The market launch of Rotarix® by Glaxo in the U.S. market during the quarter ended September 30, 2008 resulted in a $10 million milestone payment to the Company from PRF, which the Company received on October 1, 2008. As of March 31, 2008, the Company recorded the expected present value of the $10 million milestone payment due from PRF of $9,053,200, the purchase accounting value assigned to the PRF milestone payment at the time of the Merger. During the quarter ended September 30, 2008, the Company recognized the balance of $946,800 as other income in the consolidated statement of operations. The Company has received $60 million in total milestone payments under the PRF agreement. No additional milestone payments are due from PRF under the agreement.

Royalty rates on Rotarix® escalate from 7% to 10% based on net product sales in countries that have valid patent protection. These royalty rates are discounted by 30% for "non-patent" countries (primarily international markets). In September 2006, the Company received notice from Glaxo that Glaxo would begin paying royalties on sales of Rotarix® vaccine at the lower of the two royalty rates under their 1997 license agreement. Glaxo's decision to pay the lower royalty rate (which is 70% of the full rate) is based upon Glaxo's assertion that Rotarix® is not covered by the patents Glaxo licensed from the Company in Australia and certain European countries. If Glaxo's position stands, the royalties to which PRF is entitled will no longer be limited by a $27.5 million annual threshold, which the Company projected may have been reached in later years as sales of Rotarix® increased. Irrespective of Glaxo's position, the Company will still retain approximately 65% of the royalties on worldwide sales of Rotarix® once PRF receives 2.45 times the aggregate cash payments of $60 million it made to Celldex, though the potential amount of such residual royalties will be lower if Glaxo's position stands.

(B) Glaxo and Corixa Corporation ("Corixa")

On December 21, 2005, Corixa, a wholly-owned subsidiary of Glaxo, and Celldex Ltd (formerly Lorantis), entered into a termination agreement of their collaboration of CDX-2101, or HepVax, for the development of a therapeutic vaccine for Hepatitis B (the "Termination Agreement"). Under the terms of the Termination Agreement, Glaxo paid the Company the sum of approximately $1,632,000. In addition, and subject to the terms and conditions of the Termination Agreement, Glaxo granted to the Company a worldwide, fully paid up, royalty-free, perpetual, nonexclusive license under the Corixa Patent Rights, Corixa Know-How Rights and Corixa Licensed Technology (each as defined in the Termination Agreement): (a) to use RC-529SE in products being developed and/or commercialized by Celldex Ltd or its Permitted Sublicensees in the Lorantis Field; and (b) to make or have made RC-529SE using RC-529 adjuvant for the limited use permitted by the license granted to reformulate Corixa's proprietary adjuvant.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(10) PRODUCT DEVELOPMENT AND LICENSING AGREEMENTS (Continued)

The Company has concluded that because the original collaboration between Corixa and Lorantis contained multiple deliverables, EITF 00-21 applies. For the years ended December 31, 2008, 2007 and 2006, the Company recognized $466,156 of revenue under the Termination Agreement.

(C) Pfizer Inc ("Pfizer")

(1) Pfizer License and Development Agreement

On April 16, 2008, the Company and Pfizer entered into a License and Development Agreement (the "Pfizer Agreement") under which Pfizer was granted an exclusive worldwide license to a therapeutic cancer vaccine candidate, CDX-110, in Phase 2 development for the treatment of glioblastoma multiforme. The Pfizer Agreement also gives Pfizer exclusive rights to the use of EGFRvIII vaccines in other potential indications. Under the Pfizer Agreement, Pfizer made an upfront payment to the Company of $40 million and made a $10 million equity investment in the Company. Pfizer will fund all development costs for these programs. The Company is also eligible to receive potential milestone payments exceeding $390 million for the successful development and commercialization of CDX-110 and additional EGFRvIII vaccine products, as well as royalties on any product sales. The Pfizer Agreement became effective after clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) on May 19, 2008.

On May 27, 2008, the Company received $10 million from Pfizer in exchange for 781,250 shares of the Company's common stock having a fair value of $10,867,188, or $13.91 per share, on that date. The $867,188 over the amount received from Pfizer was recorded as a reduction to deferred revenue of the $40 million upfront payment received from Pfizer on June 18, 2008.

The Company has applied the provisions of Emerging Issues Task Force (EITF) Issue No. 00-21 ("EITF 00-21"), *Accounting for Revenue Arrangements with Multiple Deliverables*, and determined that its performance obligations under this collaboration should be accounted for as a single unit of accounting. The Company's deliverables under this collaboration primarily include an exclusive license to its CDX-110 product candidate and its EGFRvIII technologies, research and development services as required under the collaboration and participation in the joint clinical development committee. The Company has estimated that its performance period under the collaboration will be 9.5 years based on an assessment of the period over which the Company will have met its performance obligations under the collaboration. Revenue, including research and development reimbursements, is being recognized on a straight-line basis over this period using the Contingency Adjusted Performance Model ("CAPM"). The $40,000,000 up-front payment was recorded as deferred revenue and this amount, less the $867,188 in excess fair value for the Company's common stock discussed above, is being amortized over the 9.5-year performance period at a rate of $1,029,810 per quarter.

The agreement also provides for reimbursement by Pfizer of all costs incurred by the Company in connection with the collaboration since the effective date. The Company invoices Pfizer monthly for its reimbursable costs and records the invoiced amount as deferred revenue. These deferred revenue amounts are amortized to revenue over the expected 9.5-year performance period on a straight-line basis using the CAPM model. For the year ended December 31, 2008, the Company had incurred and invoiced Pfizer $4,856,735 in reimbursable costs related to the Pfizer collaboration.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(10) PRODUCT DEVELOPMENT AND LICENSING AGREEMENTS (Continued)

For the year ended December 31, 2008, the Company recorded revenue under this collaboration of $2,870,359 which is included in Product Development and Licensing Agreements Revenue. Of this amount, $2,551,639 was attributed to the amortization of the $40 million upfront payment and $318,720 was attributed to the $4,856,735 reimbursable costs incurred by the Company for which Pfizer is obligated to reimburse the Company.

In connection with the initial deliverables under the Pfizer Agreement as discussed further in Note 11, the Company has paid a sublicense fee of $2,365,174 to each of two research universities, Duke University ("Duke") and Thomas Jefferson University ("TJU"), and paid TJU an additional license fee of $500,000. The Company paid an additional sublicense fee to TJU of $1,634,826 in October 2008. The Company has capitalized a total of $6,865,173 of deferred costs in the "Other Assets" line item in the consolidated balance sheet. These deferred costs are being amortized over the 9.5-year performance period at a rate of $180,663 per quarter. The Company has recognized $451,657 of these costs as royalty expense during the year ended December 31, 2008. The unamortized balance of deferred costs at December 31, 2008 was $6,413,516.

(2) Pfizer Animal Health Agreement

The Company entered into a licensing agreement in December 2000 with Pfizer's Animal Health Division whereby Pfizer has licensed Megan's technology for the development of animal health and food safety vaccines. Under the agreement, the Company may receive additional milestone payments of up to $3 million based upon attainment of specified milestones. The Company may receive royalty payments on eventual product sales. The term of this agreement is through the expiration of the last of the patents covered by the agreement. The Company has no obligation to incur any research and development costs in connection with this agreement.

As of June 1, 2006, the Company entered into a Collaborative Research and Development Agreement with Pfizer aimed at the discovery and development of vaccines to protect animals. In 2007, further funded work at the Company on the joint research program was terminated by Pfizer after the Company provided two of four deliverables to Pfizer.

(D) Rockefeller University ("Rockefeller") and Gates Grand Challenge Award

The Company is developing a vaccine, CDX-2401, aimed at providing protection from infection with HIV, the virus known to cause AIDS. This program is in a Bill & Melinda Gates Foundation funded partnership with collaborators at Rockefeller and the Aaron Diamond AIDS Research Center, who have shown in model systems that protective immunity can be induced with such a vaccine. Preclinical studies and manufacturing development are in progress and payments to the Company are made on a time and materials basis. For the years ended December 31, 2008, 2007 and 2006, the Company recognized grant revenue from Rockefeller of $428,569, $829,610 and $252,457, respectively.

(11) RESEARCH COLLABORATION AND LICENSING AGREEMENTS

Celldex has entered into licensing agreements with several universities and research organizations. Under the terms of these agreements, we have received licenses or options to license technology, specified patents or patent applications. Celldex has expensed nonrefundable license fees of

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(11) RESEARCH COLLABORATION AND LICENSING AGREEMENTS (Continued)

approximately $752,642, $220,000 and $325,000 in the years ended December 31, 2008, 2007 and 2006, respectively.

(A) Medarex, Inc.

The Company and Medarex have entered into an Assignment and License Agreement that provides for the assignment of certain patent and other intellectual property rights and a license to certain Medarex technology and a Research and Commercialization Agreement which provides the Company with certain rights to obtain exclusive commercial licenses to proprietary monoclonal antibodies raised against certain antigens. Under these agreements with Medarex, Celldex may be obligated to pay license fees, milestone payments and royalties relating to the development and regulatory approval of certain of its technologies.

Under the terms of the Research and Commercialization Agreement with Medarex, Celldex will be required to pay Medarex license fees to obtain commercial licenses for antibodies arising from research licenses granted by Medarex. Celldex will also be required to pay Medarex milestone payments with respect to the development of any products containing such licensed antibodies. These fees and milestones may total up to $7 to $10 million per licensed antibody if a product containing such licensed antibody receives approval from the FDA and/or equivalent foreign agencies. None of Celldex's product candidates currently under development trigger such milestone payments. In general, potential milestone payments for Celldex's antibody product candidates may or may not be triggered and may vary in size depending on a number of variables, almost all of which are currently uncertain. Typically, the events that trigger these payments per product candidate include:

- submission of investigational new drug application(s) or foreign equivalents;
- commencement of Phase 1, Phase 2 and/or Phase 3 clinical trials or foreign equivalents;
- submission of biologic license application(s) or foreign equivalents; and
- receipt of marketing approval(s) to sell products in a particular country or region.

In addition, Celldex will be required to pay royalties on any sales of products containing licensed antibodies. The royalties will be payable on a country-by-country and product-by-product basis until the date which is the later of: (i) the expiration of the last-to-expire of the Medarex patents covering the product in such country or (ii) the tenth anniversary of the first commercial sale of a product in such country. Celldex will also be responsible for the payment of any royalties, license fees and milestone and other payments due to third parties if Celldex licenses any additional technology in order to commercialize such products.

To date, Celldex has not made any royalty payments on sales of any products and believes it is at least a number of years away from selling any products that would require Celldex to make any such royalty payments. Whether Celldex will be obligated to make milestone or royalty payments in the future is subject to the success of Celldex's product development efforts and, accordingly, is inherently uncertain.

(11) RESEARCH COLLABORATION AND LICENSING AGREEMENTS (Continued)

(B) Rockefeller University

On November 1, 2005, the Company and Rockefeller University ("Rockefeller") entered into a license agreement for the exclusive worldwide rights to human DEC-205 receptor, with the right to sublicense the technology. The license grant is exclusive except that Rockefeller may use and permit other nonprofit organizations to use the human DEC-205 receptor patent rights for educational and research purposes. In addition, the Company acknowledges that Rockefeller has granted Howard Hughes Medical Institute ("HHMI") a paid-up, nonexclusive, irrevocable license to use the patent rights, biological materials, and technical information for HHMI's research purposes, but with no right to sublicense. The Company may also be required to pay royalties on any product sales. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date which is the later of (i) the expiration of the last to expire of the patents covering the licensed product in such country or (ii) ten years following the first commercial sale of a licensed product in such country.

The Company may be required to pay license fees and milestone payments to Rockefeller with respect to development of the human DEC-205 receptor. These fees and milestones may total up to $2 million to $4 million per product candidate that receives approval from the FDA and equivalent foreign agencies.

(C) Duke University Brain Tumor Cancer Center

On September 1, 2006, the Company and Duke University Brain Tumor Cancer Center of Duke University ("Duke") entered into a license agreement that gave the Company access and reference to the clinical data generated by Duke and its collaborators in order for the Company to generate its own filing with the FDA relating to its CDX-110 product.

In exchange for referencing all the Duke data, the Company paid Duke a one-time upfront payment of $175,000 and issued to Duke 100,000 shares of the Company's common stock, which the Company recorded in 2006 as a licensing expense in research and development. The estimated aggregate fair value of the common shares issued was $330,000.

The Company may be required to pay license fees and milestone payments to Duke with respect to development of the CDX-110 product. These fees and milestones may total up to $1.2 million if CDX-110 receives approval from the FDA and equivalent foreign agencies. The Company may also be required to pay royalties upon approval of CDX-110. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date of the expiration of the last to expire of the patents covering the licensed product in such country.

In connection with the Pfizer Agreement discussed in Note 10, the Company determined that $2,365,174 was payable to Duke as a sublicense fee. As agreed by Duke, at the Company's option, 50% of this amount was paid to Duke in the form of 81,512 shares of the Company's common stock in October 2008.

CELLDEX THERAPEUTICS, INC.

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(11) RESEARCH COLLABORATION AND LICENSING AGREEMENTS (Continued)

(D) Ludwig Institute for Cancer Research

On October 20, 2006, the Company and Ludwig Institute for Cancer Research ("Ludwig") entered into an agreement for the nonexclusive rights to six cancer tumor targets for use in combination with the Company's APC Targeting Technology. The term of the agreement is for ten years. As consideration for the nonexclusive license, the Company agreed to pay an annual license fee of $7,500 and $2,500 for each full-length antigen and partial-length antigen, respectively, until such antigens enter a randomized Phase 1 clinical trial.

As additional consideration for the nonexclusive license, the Company may be required to pay license fees and milestone payments to Ludwig for the use of the cancer targets in combination with the Company's technology. The fees and milestones may total up to $1.5 million to $2.5 million on a product candidate that receives approval from the FDA and equivalent foreign agencies. The Company may also be required to pay royalties upon approval of any product candidate. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date of the expiration of the last to expire of the patents covering the licensed product in such country.

(E) Thomas Jefferson University

In February 2003, the Company entered into three exclusive license agreements with Thomas Jefferson University ("TJU"). Under the license agreements, TJU has granted a worldwide fee-and royalty-bearing exclusive license. Under these licenses, the Company will be obligated to pay TJU milestone payments which may total up to $3 million for the first licensed product developed during the term of the license agreements, an annual license fee of $45,000, patent and other expenses associated with licenses, as well as royalties on net sales of licensed products during the term of the license agreements. The Company also issued 100,000 shares of its common stock to TJU. In the event that TJU provides notice of default and the default is not cured within 60 days of such notice, TJU may terminate the license agreements. In connection with the Pfizer Agreement, the Company amended its licenses with TJU to add additional sublicensing rights and made a $500,000 one-time license payment to TJU in June 2008.

As discussed in Note 10, the Company paid a sublicense fee of $2,365,174 to TJU during the quarter ended September 30, 2008 and paid an additional sublicense fee of $1,634,826 to TJU in October 2008.

(F) Select Vaccines Limited ("Select Vaccines")

In February 2007, the Company entered into a research and development partnership with Select Vaccines, a public Australian biotechnology company, focused on the use of Select Vaccines' virus-like particles ("VLPs") as a platform technology for the development of viral vaccines. Under the terms of the agreement, the Company made an upfront equity investment of $735,000 in Select Vaccines and agreed to fund influenza vaccine research and development for two years, as well as provide payments to Select Vaccines for the achievement of specific preclinical and clinical development milestones. On November 1, 2007, the Company notified Select Vaccines that, effective December 31, 2007, the Company was exercising its rights to terminate its Collaboration and License Agreement with Select Vaccines for strategic reasons.

CELLDEX THERAPEUTICS, INC.

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(11) RESEARCH COLLABORATION AND LICENSING AGREEMENTS (Continued)

In August 2008, the Company sold its equity investment in Select Vaccine shares for net proceeds of $250,882 and recorded a loss of $297,129. The Company had classified its equity investment in Select Vaccine shares as available-for-sale securities under SFAS 115, *Accounting for Certain Investments in Debt and Equity Securities*, ("FAS 115").

(G) 3M Company ("3M Company")

On June 11, 2008, the Company and 3M Company entered into a license agreement for the exclusive worldwide rights to access 3M Company's proprietary Immune Response Modifier Resiquimod™ (and additional Toll-Like Receptor 7/8 agonists ("TLR")) for clinical study with Celldex's proprietary APC Targeting Technology, for use as vaccine adjuvants, with the right to sublicense the technology.

The Company paid 3M Company a one-time upfront license fee which was charged to research and development expense in the quarter ended June 30, 2008. The Company may be required to pay annual license fees and milestone payments to 3M Company with respect to development of Resiquimod™. The Company may also be required to pay royalties upon approval of any product candidate. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date of the expiration of the last to expire of the patents covering the licensed product in such country.

(H) University of Southampton ("Southampton")

In November 2008, the Company entered into an Exclusive Patent and Know-How License Agreement with the University of Southampton, UK, to develop human antibodies towards CD27, a potentially important target for immunotherapy of various cancers. CD27 is a critical molecule in the activation pathway of lymphocytes, is downstream from CD40, and may provide a novel way to regulate the immune responses. In pre-clinical models, antibodies to CD27 have been shown to mediate anti-tumor effects alone, and may be particularly effective in combination with the Company's other immunotherapies.

The Company paid Southampton a one-time upfront license fee which was charged to research and development expense in the quarter ended December 31, 2008. The Company may be required to pay annual license fees and milestone payments to Southampton with respect to development of CD27. The Company may also be required to pay royalties upon approval of any product candidate. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date of the expiration of the last to expire of the patents covering the licensed product in such country.

(12) RELATED PARTY TRANSACTIONS

Medarex is a major shareholder of Celldex, owning approximately 31.4% of the Company's outstanding common stock at December 31, 2008. The Company and Medarex have entered into the

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(12) RELATED PARTY TRANSACTIONS (Continued)

following agreements, each of which was approved by a majority of its independent directors who did not have an interest in the transaction. These agreements include:

- An Assignment and License Agreement that provides for the assignment of certain patent and other intellectual property rights and a license to certain Medarex technology;
- A Research and Commercialization Agreement that provides us with certain rights to obtain exclusive commercial licenses to proprietary monoclonal antibodies raised against certain antigens;
- An Affiliation Agreement, which, among other things, details Medarex's obligation to elect independent directors to the Company's board of directors and contains certain restrictions, effective for a period of 36 months from April 6, 2004, on Medarex's ability to acquire additional shares of the Company's common stock and to sell shares of the Company's common stock;
- A Master Services Agreement, that sets forth Medarex's agreement to provide us with certain services to be mutually agreed upon, which may include, among others, clinical and regulatory assistance.

The Company may be required to pay license fees and milestone payments to Medarex with respect to any antibodies developed using its HuMab-Mouse technology. These fees and milestones may total up to $7 million to $10 million per antibody that receives approval from the FDA and equivalent foreign agencies.

The Company may also be required to pay royalties on any product sales. The royalties will be payable on a country-by-country and licensed product-by-licensed product basis until the date which is the later of (i) the expiration of the last to expire of the patents covering the licensed product in such country or (ii) ten years following the first commercial sale of a licensed product in such country.

The Company and Medarex entered into a settlement and mutual release agreement on October 19, 2007, whereby the parties agreed to a settlement with respect to a disputed return of capital related to certain unsuccessful initial public offering costs that were funded by Medarex on behalf of the Company in prior years. The Company agreed to issue to Medarex 351,692 of the Company's shares equal in value to $3,038,617, based on the per share price of $8.64 set on the second trading day prior to the closing date of the Merger. Medarex has agreed to amend certain terms of the existing Research and Commercialization Agreement and Assignment and License Agreement. Both parties have agreed to mutual releases under the settlement and mutual release agreement.

The Company has recorded a payable due Medarex of $2,957,248 at December 31, 2008.

(13) DEFERRED REVENUE

At December 31, 2008, deferred revenue associated with the Pfizer Agreement represented $41,119,189 of the total current and long-term deferred revenue of $41,420,040 at that date. As more fully discussed in Note 10, Pfizer made a $40 million upfront license payment, made a $10 million equity investment and agreed to reimburse the Company monthly for all costs incurred in connection with the collaborative effort on CDX-110. Through December 31, 2008, the Company has incurred and

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(13) DEFERRED REVENUE (Continued)

invoiced Pfizer for reimbursable costs in the amount of $4,856,735. Under applicable accounting literature, the Company has determined that its performance obligations under the Pfizer Agreement should be accounted for as a single unit of accounting over an estimated 9.5-year period of expected performance by the Company under the Agreement. Accordingly, the $40 million upfront license payment, less $867,188 allocated to the fair value of Pfizer equity investment, and the $4,856,735 for reimbursable costs have been deferred and are being recognized as revenue over the 9.5-year period on a straight-line basis utilizing the Contingency Adjusted Performance Model.

Expected future recognition of the deferred revenue balance at December 31, 2008 for each of the next five years and thereafter is as follows; 2009—$4,931,327, years 2010 through 2013 per year—$4,630,476, and thereafter—$17,966,809.

(14) OTHER LONG-TERM LIABILITIES

Other long-term liabilities include the following:

	December 31, 2008	December 31, 2007
Deferred Rent	$ 301,171	$207,654
Loan Payable	686,254	—
Note Payable	300,291	—
Total	1,287,716	207,654
Less Current Portion		
Deferred Rent	57,451	57,447
Loan Payable	49,954	—
Note Payable	111,054	—
	218,459	57,447
Long-Term Portion	$1,069,257	$150,207

In December 2003, the Company entered into a Lease Agreement (the "Lease Agreement"), a Secured Promissory Note: Equipment Loan (the "Secured Promissory Note") and a Security Agreement with the Massachusetts Development Finance Agency ("MassDevelopment"), an economic development entity for the Commonwealth of Massachusetts, for the Company to occupy and build-out a manufacturing facility in Fall River, Massachusetts.

(A) Loan Payable

Under the Lease Agreement, the Company received a Specialized Tenant Improvement Loan of $1,227,800 at an interest rate of 5.5% per annum to finance the build-out of its Fall River facility which was recorded as leasehold improvements. The Company is amortizing the leasehold improvements over the remaining expected lease term. Principal and interest payments on the loan are due monthly using an amortization period of 15 years.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(14) OTHER LONG-TERM LIABILITIES (Continued)

In connection with the Merger, the Company recorded $722,683 as the fair value of the loan payable based on current market interest rates available to the Company for long-term liabilities with similar terms and maturities. At December 31, 2008, the Company has recorded a loan payable of $686,254 to MassDevelopment, of which $49,954 was classified as current and $636,300 as long-term. Based on current market interest rates available to Celldex for long-term liabilities with similar terms and maturities, the fair value of the loan payable is approximately $685,900 at December 31, 2008.

(B) Note Payable

Under the Secured Promissory Note, the Company received $903,657 from MassDevelopment at an interest rate of 5.5% per annum to finance the purchases of manufacturing and laboratory equipment to be placed in its Fall River facility (the "Loan"). The Loan has a term of 84 months. The Loan is collateralized by all of the equipment purchased with the principal amount. The net book value of these collateralized assets at December 31, 2008 was $359,635.

In connection with the Merger, the Company recorded $366,251 as the fair value of the note payable based on current market interest rates available to the Company for long-term liabilities with similar terms and maturities. At December 31, 2008, the balance of the note payable to MassDevelopment was $300,291, of which $111,054 was classified as current and $189,237 as long-term. Based on current market interest rates available to Celldex for long-term liabilities with similar terms and maturities, the fair value of the note payable is approximately $358,400 at December 31, 2008.

The following table summarizes the Company's approximate contractual obligations to MassDevelopment with respect to the loan and note payable:

	Loan Payable			Note Payable		
	Principal	Interest	Total	Principal	Interest	Total
2009	$ 50,000	$ 80,400	$ 130,400	$111,100	$ 66,100	$177,200
2010	51,500	74,300	125,800	144,000	33,200	177,200
2011	53,300	67,900	121,200	45,200	2,100	47,300
2012	55,200	61,500	116,700	—	—	—
2013	57,600	54,500	112,100	—	—	—
Thereafter	418,700	164,900	583,600	—	—	—
Total Obligation	$686,300	$503,500	$1,189,800	$300,300	$101,400	$401,700
Less: Current Portion	50,000			111,100		
Total Long-Term Portion	$636,300			$189,200		

(15) COMMITMENTS AND CONTINGENCIES

(A) Commitments for the Needham, Massachusetts Facility

In November 2005, the Company entered into a lease amendment that extended its lease of laboratory and office space in Needham, Massachusetts through April, 2017 and reduced the Company's leased space to approximately 35,200 square feet. Under this lease amendment, the Company is obligated to pay an escalating base annual rent ranging from $879,700 to $1,161,200 during

(15) COMMITMENTS AND CONTINGENCIES (Continued)

the remaining lease term. Aggregate rental payments including common area maintenance costs for the year ended December 31, 2008 for this facility was $1,437,040.

(B) Commitments for the Fall River, Massachusetts Facility

In December 2003, the Company entered into a lease with MassDevelopment to occupy and build-out an 11,800 square foot manufacturing facility in Fall River, Massachusetts. The lease has an initial seven-year term that expires in December 2010 and two renewal options of five years each. Management has determined that it is reasonably assured that the Company will exercise one five-year renewal option. Therefore, the Company is amortizing leasehold improvements made to the Fall River facility over the remaining original lease term plus one five-year renewal term. In November 2005, December 2006 and October 2008, the Company amended the MassDevelopment lease to increase the rentable space to approximately 14,300, 16,200 and 21,000 square feet, respectively, at the Fall River facility. Aggregate rental payments including common area maintenance costs for the year ended December 31, 2008 for this facility was $390,664.

(C) Commitments for the Philipsburg, New Jersey Facility

The Company leases approximately 20,000 square feet of office and laboratory space in Phillipsburg, New Jersey. The lease has an initial five-year term which expires in August 2011. Under the lease agreement, the Company is obligated to pay an annual rent of approximately $347,700 plus certain common area maintenance costs. Aggregate rental payments including common area maintenance costs for the years ended December 31, 2008 and 2007 for this facility were $370,652 and $347,652, respectively.

As an incentive to enter into a lease agreement with the Phillipsburg landlord, the Company received four months of rent-free occupancy of the facility, and the Company is amortizing this over the original five-year term of the lease. In addition, the landlord provided the Company with an allowance on future rent payments towards tenant improvements that the Company made to the facility and that credit is included in deferred rent and is being amortized over the lease term. Construction of the tenant improvements was completed in August 2006.

The Company entered into a letter of credit facility with a national U.S. financial institution for $177,000, which is collateralized by a security deposit for the leased facility in Phillipsburg, New Jersey. The total amount of the security deposit is recorded in Other Assets on the Company's consolidated balance sheets.

(D) Commitments to Licensors under Certain Intellectual Property License Agreements

The Company has certain obligations to pay licensors based on payments received by the Company from its licensees. The Company believes that it has in the past, and is continuing to satisfy its payment obligations to its licensors based on the Company's interpretation of its license agreements with those licensors. If a licensor was to disagree with the calculation of payments made by the Company pursuant to the license agreements, then the Company may be required to make additional license payments to one or more licensors. There can be no assurances that a licensor will not dispute the Company's interpretation of those license agreements or the Company's calculation of payments due. Accordingly,

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(15) COMMITMENTS AND CONTINGENCIES (Continued)

the Company may have a contingent liability, in an amount which it cannot determine with precision, based on the risk that such additional payments may have to be made. There can be no assurances that a license payment, once made, will not be the subject of a later dispute by either the licensor or the Company.

(E) Commitments for Operating Leases

Obligations for base rent and common area maintenance costs (CAM) under facility and other non-cancelable operating leases as of December 31, 2008 are approximately as follows:

Year ending December 31,	
2009	$ 2,475,600
2010	2,542,800
2011	2,506,200
2012	2,325,200
2013 and thereafter	10,140,100
Total minimum lease payments	$19,989,900

The Company's total rent and CAM expense for all facility leases was $2,198,356 and $347,652 for the years ended December 31, 2008 and 2007, respectively.

(16) SEVERANCE ARRANGEMENTS

Dr. Una S. Ryan: In May 2008, Dr. Una S. Ryan, who had been the President and Chief Executive Officer of the Company, informed the Company's Board of her intention to depart from the Company pending negotiation of the terms of her separation. The Company and Dr. Ryan executed a separation agreement effective July 16, 2008 (the "Separation Agreement") setting forth such terms regarding Dr. Ryan's separation from the Company. The Separation Agreement provided, among other things, for: (i) a lump sum cash payment of $1,323,203, plus interest in the amount of $10,784, which was paid on November 8, 2008; (ii) a mutual general release; (iii) payment of insurance premiums under COBRA for 18 months; (iv) reimbursement of attorneys' fees up to $30,000 and (v) vesting of options to purchase 153,125 shares of Company common stock (of the options to purchase 612,500 shares of Company common stock which had been granted to Dr. Ryan on March 7, 2008). The remainder of Dr. Ryan's options terminated as of July 16, 2008. The Separation Agreement also provided for Dr. Ryan's resignation, effective July 16, 2008, from her position as a director of the Company and each of its subsidiaries. At December 31, 2008, the Company has accrued the present value of the expected remaining COBRA benefits due Dr. Ryan totaling $24,542. During the year ended December 31, 2008, the Company paid the lump sum cash payment of $1,323,203, plus interest in the amount of $10,784, reimbursable attorney fees of $30,000 and insurance premiums under COBRA of $6,786.

With respect to Dr. Ryan's options, the Company recorded stock-based compensation expense of $1.3 million, charged to general and administrative expense, for the fully vested options granted to Dr. Ryan in connection with the Separation Agreement was appropriately recorded in July 2008 when the criteria for establishing a grant date under SFAS 123(R) were met.

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(16) SEVERANCE ARRANGEMENTS (Continued)

Dr. Robert F. Burns: The Company and Dr. Robert F. Burns, formerly the President and Chief Executive Officer of Celldex Research, entered into a separation and mutual release agreement dated as of October 19, 2007, under which Dr. Burns' employment was terminated, effective as of February 15, 2008. Until such date, Dr. Burns had no obligation to render services to the Company, although he was to hold himself available to consult with the Company by telephone at reasonable times. As severance, the Company was obligated to pay to Dr. Burns the monthly sum of £33,333 for nine consecutive months, commencing with the first payment on March 15, 2008, and a payment of £100,000 on December 15, 2008, in each case less applicable withholdings and other customary payroll deductions. Dr. Burns is also entitled to the continuation of benefits until February 15, 2010. All of Dr. Burns' stock options became fully vested and exercisable on February 15, 2008, and he may exercise them for up to three years following that date. Dr. Burns and the Company provided one another with mutual releases under such separation and mutual release agreement.

As Dr. Burns has not provided substantive service to the Company since October 19, 2007, these severance benefits, which in the aggregate equal $1,014,017, were accrued in the consolidated financial statements as of December 31, 2007. In addition, stock-based compensation was adjusted for the modification of Dr. Burns' stock option awards in accordance with SFAS No. 123(R).

The following table sets forth an analysis of the severance costs, which are included in accrued liabilities in the consolidated balance sheet as of December 31, 2008 and 2007:

	Balance at December 31, 2007	Charges	Paid Cash	Balance at December 31, 2008
Severance and benefits	$1,014,017	$1,384,658	$(2,364,827)	$ 33,848

Exit Activities in the U.K.: In December 2006, the Company adopted a plan to reduce operating expenses, following its decision to assign its leased facility in Cambridge, United Kingdom, to a third party. The plan included a reduction of 18 full-time employees in both research and development and general and administrative areas of the Company. As a result of staffing reductions, the Company recorded severance benefits expense of $477,508 as of December 31, 2006.

In December 2006, the Company entered into an agreement with a third party to assign the lease entered into by Celldex Ltd. (formerly Lorantis) in June 2003. Under the assignment, the assignee assumed all costs and expenses associated with the leased facility. As part of the agreement of assignment, the Company agreed to a six-month free rent period to the assignee as an incentive to enter into the lease assignment, whereby the Company paid the rent for the period this period of $691,187. This amount is reflected in the 2006 consolidated statement of operations (see Note 5 for additional information).

(17) MERGER OF CELLDEX AND CELLDEX RESEARCH

On March 7, 2008, Celldex (formerly AVANT Immunotherapeutics, Inc.) completed the Merger with Celldex Research (formerly Celldex Therapeutics Inc.) with Celldex Research considered the accounting acquirer, even though Celldex (then AVANT) issued common stock and was the surviving legal entity in the transaction. The Company issued 8,309,420 shares of its common stock in exchange

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(17) MERGER OF CELLDEX AND CELLDEX RESEARCH (Continued)

for all of the outstanding capital stock of Celldex Research, on the basis of 4.65 shares of Celldex (then AVANT) common stock for each share of Celldex Research common stock such that Celldex Research shareholders owned 58% of the Company's common stock on a fully diluted basis and Celldex shareholders retained 42%. The Company also issued 351,692 shares having a value of $3,038,617 in settlement of a payable due Medarex. The purchase price of $47,570,867 represents the shares attributable to former AVANT shareholders and consisted of (i) the 6,265,889 shares outstanding of Celldex (then AVANT) common stock on the effective date of the Merger valued at $46,875,372 and (ii) estimated transaction costs totaling $695,495.

The acquisition has been accounted for as a purchase with Celldex Research the accounting acquirer. Consequently, the operating results of Celldex (then AVANT) since March 8, 2008 have been included in the consolidated results of operations. The purchase price was allocated to the acquired tangible and identifiable intangible assets and assumed liabilities, based upon their fair value at the date of acquisition, as follows:

Tangible assets acquired	$34,959,482
Less: Liabilities assumed	(3,945,067)
Net tangible assets acquired	31,014,415
Intangible assets acquired:	
Core Technology	897,249
Developed Technology	273,796
Strategic Partner Agreement	629,499
In-Process Research and Development ("IPR&D")	14,755,908
Total	$47,570,867

The values assigned to the intangible assets acquired, including the IPR&D, were determined based on fair market value using a risk adjusted discounted cash flow approach. Fair values for long-term tangible and intangible assets and for IPR&D were then reduced by $6,041,597 of negative goodwill. The Company is a biotechnology enterprise and its resources are substantially devoted to research and development at the date of the Merger. Management is responsible for determining the fair value of the acquired IPR&D.

The values assigned to IPR&D relate to the development of a typhoid-ETEC-cholera combination travelers vaccine, a cholesterol management vaccine, and the CDX-1135 (formerly TP10) complement inhibitor in the amounts of $7.8 million, $0.9 million and $6 million, respectively. Each of these three significant research and development projects in-process were valued through detailed analysis of product development data concerning the stage of development, time and resources needed to complete the project, expected income-generating ability and associated risks. The value of IPR&D was determined by estimating the costs to develop the purchased in-process technology into commercially viable products, estimating the net cash flows from such projects and discounting the net cash flows back to their present values. The probability of success and discount rates used for each project take into account the uncertainty surrounding the successful development and commercialization of the purchased in-process technology. We expect to incur approximately $16.2 million to move these projects to the point of out-licensing them to third parties. The estimated revenues from the

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(17) MERGER OF CELLDEX AND CELLDEX RESEARCH (Continued)

typhoid-ETEC-cholera vaccine, the cholesterol management vaccine, and CDX-1135 are expected to be generated beginning in 2014, 2015 and 2014, respectively. A discount rate of 29% was used to value these projects, which we believe to be commensurate with the stage of development and the uncertainties in the economic estimates described above. The resulting net cash flows for these projects were based on management's best estimates of revenue, cost of sales, research and development costs, selling, general and administrative costs, and income taxes for each project and the net cash flows reflect assumptions that would be used by market participants.

The significant assumptions underlying the valuations included potential revenues, costs of completion, the timing of product approvals and the selection of appropriate probability of success and discount rates. None of the Company's IPR&D projects have reached technological feasibility nor do they have any alternative future use. Consequently, in accordance with current U.S. GAAP, the fair value allocated to IPR&D was charged as an expense in the Company's consolidated financial statements as of the date of acquisition. The remaining acquired intangible assets arising from the acquisition are being amortized on a straight line basis over their estimated lives, which range from 4.5 to 8 years.

As of December 31, 2008, the technological feasibility of the projects had not yet been reached and no significant departures from the assumptions included in the valuation analysis had occurred. Substantial additional research and development will be required prior to reaching technological feasibility. In addition, each product needs to successfully complete a series of clinical trials and to receive FDA or other regulatory approval prior to commercialization. The Company is also dependent upon the activities of its collaborators in developing, manufacturing and marketing its products. There can be no assurance that these projects will ever reach feasibility or develop into products that can be marketed profitably, nor can there be assurance that the Company and its collaborators will be able to develop, manufacture and commercialize these products before the Company's competitors. If these products are not successfully developed and do not become commercially viable, the Company's financial condition and results of operations could be materially affected.

The following unaudited pro forma financial summary is presented as if the operations of Celldex and Celldex Research were combined as of January 1, 2006. The unaudited pro forma combined results are not necessarily indicative of the actual results that would have occurred had the acquisition been consummated at that date or of the future operations of the combined entities. The following pro forma financial summary includes charges for in-process research and development of $14,755,908 and $14,440,009 for the years ended December 31, 2008 and 2007, respectively, which are material non-recurring charges.

Years Ended December 31,	2008	2007
Revenue	$ 9,016,365	$ 4,174,140
Net loss	(52,512,300)	(52,298,522)
Basic and diluted net loss per share	(3.51)	(3.52)

CELLDEX THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

YEARS ENDED DECEMBER 31, 2008, 2007 and 2006

(18) SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

2008	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Total revenue	$ 147,398	$ 1,961,611	$ 2,358,136	$ 2,988,362
Net loss	(22,130,682)	(10,260,510)	(7,656,158)	(7,453,221)
Basic and diluted net loss per common share	(2.19)	(0.67)	(0.49)	(0.47)

2007	Q1 2007	Q2 2007	Q3 2007	Q4 2007
Total revenue	$ 144,040	$ 609,184	$ 268,974	$ 383,394
Net loss	(4,032,403)	(2,755,137)	(4,057,018)	(4,228,492)
Basic and diluted net loss per common share(1)	(0.49)	(0.33)	(0.49)	(0.51)

(1) Basic and diluted net loss per common share has been adjusted to reflect the Merger exchange ratio and a reverse stock split of 1-for-12 effective March 7, 2008. Per share results for the aggregate of the four quarters may differ from full-year results, as separate computations of the weighted average number of shares outstanding are made for each quarter and for the full year.

(19) SUBSEQUENT EVENTS

In January 2009, the Company entered into two transactions involving the sale of its poultry vaccines business and the out-licensing of its cholera and ETEC programs as more fully described below.

(A) Lohmann Animal Health International ("LAHI")

On January 13, 2009, the Company entered into a purchase agreement to sell its poultry vaccines business to LAHI. Since 2002, LAHI has performed all manufacturing, marketing and distribution activities for Celldex's marketed Megan®Vac 1 and Megan®Egg poultry vaccines and has paid Celldex product royalties. Financial terms of the transaction with LAHI included an upfront fee and potential milestone payments.

(B) Vaccine Technologies, Inc. ("VTI")

On January 20, 2009, the Company entered into an Exclusive License and Development Agreement with VTI. Under the license agreement, Celldex has granted a worldwide fee- and royalty-bearing exclusive license to VTI to development and commercialize Celldex's CholeraGarde® and ETEC vaccine programs. Financial terms of the agreement with VTI include an upfront license fee, milestone payments and royalties on net sales of licensed products during the term of the agreement.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

The Company, the registrant, maintains disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Company in its reports that it files and submits under the Securities Exchange Act of 1934, as amended (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 its management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

As required by Rule 13a 15 under the Exchange Act, as of December 31, 2008, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the year ended December 31, 2008.

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31 2008, as a result of the material weakness discussed below, our disclosure controls and procedures were not effective as of December 31, 2008. Notwithstanding the material weakness discussed below, our management has concluded that the consolidated financial statements included in this Annual Report on Form 10-K fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented in conformity with generally accepted accounting principles.

Management's Annual Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) of the Securities Exchange Act of 1934, as amended. Internal control over financial reporting is designed 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 of the United States of America ("GAAP"). We recognize that because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The Company has conducted its evaluation of the effectiveness of its internal control over financial reporting based upon the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness existed in the Company's internal control over financial reporting as of December 31, 2008

The Company did not maintain a sufficient complement of personnel with the appropriate skills, training and experience as of December 31, 2008. Specifically, the quantity and level of experience of the Company's accounting staff did not adequately evolve with the increased roles, responsibilities and

complexity of the Company's operations as a result of the Merger. Additionally, this material weakness could result in misstatements of financial statement accounts and disclosures that would results in a material misstatement of the consolidated financial statements that would not be prevented or detected.

Because of this material weakness, management has concluded that our internal control over financial reporting was not effective at December 31, 2008.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2008 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their attestation report included in Item 8 of this Form 10-K.

Changes in Internal Control Over Financial Reporting.

There have been no changes in our internal control over financial reporting during the fourth quarter of 2008 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Remediation of Material Weakness

In the fourth quarter of 2008, management supplemented the Company's accounting staff with a dedicated, part-time senior consultant. Although, improvement was made to the operating effectiveness of our internal control over financial reporting as of December 31, 2008, the material weakness will not be considered remediated until the existing or new additional resources and additional improvement to the operating of our internal control over financial reporting are in place for a sufficient period of time and are tested.

Item 9B. OTHER INFORMATION.

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information Regarding the Current Directors and Executive Officers of Celldex

The following table sets forth the members of the Board of Directors of Celldex, their ages as of December 31, 2008 and the year in which each first became a director.

Directors	Age	Year First Became Director
Charles R. Schaller	72	2008
Herbert J. Conrad	75	2008
Larry Ellberger	60	2003
George O. Elston	43	2008
Karen Shoos Lipton	55	2001
Dr. Rajesh B. Parekh	47	2008
Harry H. Penner, Jr.	63	1997
Anthony S. Marucci	46	2008

The following biographical descriptions set forth certain information with respect to the directors and the executive officers who are not directors, based on information furnished to Celldex by each director and executive officer.

Directors

Charles R. Schaller became the Chairman of the Board of Directors of Celldex upon consummation of the Merger. Mr. Schaller had been a director of Celldex Research since November 2006. Mr. Schaller also has been a Director of Medarex, Inc., an affiliate of Celldex, since 1987, and was Chairman of the Medarex Board of Directors from 1987 to 1997. Since 1989, Mr. Schaller has been a chemical industry management consultant and, until June 2002, he served as a director of AstroPower, Inc., a publicly traded U.S. manufacturer of photo-voltaic (PV) products until being acquired by General Electric. Mr. Schaller is a graduate of Yale University and is a graduate of the program in management development at Harvard Business School.

Herbert J. Conrad became a director of Celldex upon consummation of the Merger. Mr. Conrad had been a director of Celldex Research since March 2004. Mr. Conrad is currently a Director of Pharmasset, Inc., Savient Pharmaceuticals and Symphony Evolution and serves on the Medical Advisory Board of Henry Schein. He served as chairman of the board of directors of GenVec, Inc. from 1996 to 2003, where he was the Chief Executive Officer from September 1996 to December 1996. From 1960 to 1993 Mr. Conrad was with Hoffmann La Roche where he was President of the U.S. Pharmaceuticals Division from 1982 through 1993. Mr. Conrad earned his undergraduate and graduate degrees from the Brooklyn College of Pharmacy. He also received a Doctorate in Humane Letters (honorary) from Long Island University. He received B.S. and M.S. degrees from Brooklyn College of Pharmacy and an honorary Doctorate in Humane Letters from Long Island University.

Larry Ellberger. Mr. Ellberger has been a director of Celldex since August 2003. He is a Founder and Principal of Healthcare Ventures Associates, Inc., a consulting firm for the pharmaceutical, biotechnology and medical device industries. He was most recently Interim Chief Executive Officer of PDI, Inc., a diversified sales and marketing services provider to the biopharmaceutical, medical device and diagnostic industries. From 2000 to 2003, he was Senior Vice President of Powderject plc. He also served as a director of Powderject. Previously, Mr. Ellberger was an employee of W.R. Grace & Co. from 1995 to 1999, serving as Chief Financial Officer from 1996 and Senior Vice President, Strategic Planning and Development from 1995 and Acting Chief Executive Officer in 1997. From 1975 to 1995, Mr. Ellberger held numerous senior executive positions at American Cyanamid Company, serving the

last four years as Vice President, Corporate Development. Mr. Ellberger currently serves on the Board of Directors of Transpharma, Ltd. and The Jewish Children's Museum and was formerly Chairman of the Board of Omrix BioPharmaceuticals, Inc. until its acquisition by Johnson & Johnson.

George O. Elston became a director of Celldex upon consummation of the Merger. Mr. Elston had been a director of Celldex Research since March 2004 and is currently Chief Financial Officer of Optherion, Inc., a privately held biopharmaceutical company located in New Haven, CT. Mr. Elston has more than 20 years of financial and business expertise in the biotechnology and medical device industries. Before joining Optherion, Mr. Elston was with Elusys Therapeutics where he raised significant funding from government and private sources, completed multiple strategic collaborations with large pharmaceutical and biotechnology firms, and oversaw collaborations with the U.S. Department of Defense and the National Institutes of Health. Before joining Elusys, Mr. Elston was Chief Financial Officer of Trillium USA, Inc., where he established the financial and administrative functions for the Company's multi-national operations. Previously, Mr. Elston was with C.R. Bard, Inc., an international manufacturer and distributor of medical devices, where he directed financial operations for multiple manufacturing facilities in several countries and successfully integrated strategic acquisitions; and with Price Waterhouse. Mr. Elston received his BBA in Public Accounting from Pace University and is a Certified Public Accountant.

Karen Shoos Lipton. Ms. Lipton has been a director of Celldex since May 2001. Ms. Lipton was appointed Chief Executive Officer of the American Association of Blood Banks (dba AABB) in October 1994. Previously she has held senior positions at the American Red Cross since 1984, including Acting Senior Vice President, Biomedical Services (1993-1994) and Secretary and General Counsel (1990-1993). Prior to the American Red Cross, Ms. Lipton was a lawyer in private practice.

Dr. Rajesh B. Parekh became a director of Celldex upon consummation of the Merger. Dr. Parekh had been a director of Celldex Research since March 2004 and has been a General Partner at Advent Venture Partners (UK) since 2006. Prior to joining Advent, Dr. Parekh was an Entrepreneur-in-Residence at Abingworth Management Limited (UK) from 2003-2005. Dr. Parekh has also been a Visiting Professor at the University of Oxford. He was a co-founder and served as Chief Scientific Officer and Senior Vice President of Research and Development of Oxford GlycoSciences, plc (UK) from 1988 to 2003. Dr. Parekh was also chairman of Galapagos NV (Belgium) since 2004 and currently serves on the boards of directors of seven companies including private companies in the United States and Europe and one public European company. He received his B.A. and D. Phil. degrees in Biochemistry and Molecular Medicine from the University of Oxford.

Harry H. Penner, Jr. Mr. Penner has been a director of Celldex since January 1997 and was Chairman of Celldex from 2007 until the Merger. He is Chairman and CEO of Nascent BioScience, LLC, a firm which has been instrumental in the founding and development of a number of new biotechnology companies, including New Haven Pharmaceuticals, Inc. (of which he is currently Chairman and CEO), Rib-X Pharmaceuticals, Inc., Marinus Pharmaceuticals, Inc., RHEI Pharmaceuticals, Inc., RxGen Inc., and MAK Scientific. He has served as BioScience Advisor to the Governor of the State of Connecticut, and as Chair of the Connecticut Board of Governors of Higher Education, CURE, the Connecticut BioScience Cluster, and the Connecticut Technology Council. From 1993 to 2001, Mr. Penner was President, CEO and a director of Neurogen Corporation. Previously, he served as Executive Vice President of Novo Nordisk A/S and President of Novo Nordisk of North America, Inc. from 1988 to 1993. He serves on the boards of Altus Pharmaceuticals, Inc., Ikonisys, Inc. Rib-X, Marinus, Rhei, and RxGen. Mr. Penner holds degrees from the University of Virginia (BA), Fordham University (JD), and New York University (LLM).

Anthony S. Marucci was appointed as permanent President and Chief Executive Officer of Celldex in October 2008 and as a director of the Company in December 2008. Mr. Marucci had been Executive Vice President, Corporate Development of Celldex upon consummation of the Merger. Mr. Marucci

had been Celldex Research's Acting Chief Executive Officer since October 2007 and its Vice President, Chief Financial Officer, Treasurer and Secretary since May 2003. In addition, he was Treasurer of Medarex from December 1998 to March 2004. Mr. Marucci held a series of senior financial positions at Medarex from December 1998 to May 2003. Mr. Marucci is a member of the Board of Trustees of BioNJ and also serves as its Treasurer. Mr. Marucci received his M.B.A. from Columbia University.

Executive Officers

The following persons are currently executive officers who are not directors of Celldex(1)(2). Officers are elected annually by the Board of Directors until their successors are duly elected and qualified.

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(1) Una S. Ryan served as our Chief Executive Officer and President until her resignation on May 7, 2008.

(2) Ronald C. Newbold served as our Senior Vice President, Business Development, through December 31, 2008. He subsequently gave notice of resignation.

Name of Individual	Age	Position and Office
Anthony S. Marucci	46	President and Chief Executive Officer
Avery W. Catlin	60	Senior Vice President, Chief Financial Officer and Secretary
Dr. Tibor Keler	50	Senior Vice President and Chief Scientific Officer
Dr. Thomas Davis	45	Senior Vice President and Chief Medical Officer

Anthony S. Marucci was appointed as permanent President and Chief Executive Officer of Celldex in September 2008 and as a director of the Company in December 2008. See Mr. Marucci's biography under *Directors* above.

Avery W. Catlin. Mr. Catlin joined Celldex in January 2000. Prior to joining Celldex, he served as Vice President, Operations and Finance, and Chief Financial Officer of Endogen, Inc., a public life science research products company, from 1996 to 1999. From 1992 to 1996, Mr. Catlin held various financial positions at Repligen Corporation, a public biopharmaceutical company, serving the last two years as Chief Financial Officer. Earlier in his career, Mr. Catlin held the position of Chief Financial Officer at MediSense, Inc., a Massachusetts-based medical device company. Mr. Catlin received his B.A. degree from the University of Virginia and M.B.A. from Babson College and is a Certified Public Accountant.

Dr. Tibor Keler became Senior Vice President and Chief Scientific Officer of Celldex upon consummation of the Merger. Dr. Keler had been Celldex Research's Vice President, Research and Discovery and Chief Scientific Officer since May 2003. In addition, he was Senior Director of Preclinical Development and Principal Scientist at Medarex, Inc. from September 1993 to March 2004. While at Medarex, he was responsible for the development of Celldex's technology and products, as well as for the preclinical development and testing of numerous Medarex products now in Phase II clinical trials. Dr. Keler received his Ph.D. in Microbiology from the University of Pennsylvania.

Thomas Davis, MD became Senior Vice President and Chief Medical Officer of Celldex upon consummation of the Merger. Dr. Davis was Vice President of Clinical Development and Chief Medical Officer of Celldex Research. Dr. Davis was formerly Chief Medical Officer at GenVec, and Senior Director of Clinical Science at Medarex. He has supervised clinical efforts in adult hematologic malignancies and marrow transplantation and therapeutic antibodies at the Cancer Therapy Evaluation Program (CTEP) of the National Cancer Institute (NCI) and worked with Dr. Ron Levy on the development of rituximab and idiotype vaccines at Stanford University. Dr. Davis received his B.A.

degree in Biophysics from Johns Hopkins University, M.S. degree in Physiology from Georgetown University and his M.D. from Georgetown University School of Medicine.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Celldex's directors and executive, officers, and persons who are beneficial owners of more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the "SEC"). These persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of the copies of such reports furnished to us, and written representations that no other reports were required during the fiscal year ended December 31, 2008, all Section 16(a) filing requirements applicable to such persons were satisfied, except for the filing of a Form 4 on September 23, 2008, which reported three transactions by an entity of which Dr. Rajesh Parekh was a related party, which took place between September 8 - 10, 2008. Dr. Parekh disclaimed beneficial ownership of those shares.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our directors, officers, and employees. The purpose of the Code of Business Conduct and Ethics is to deter wrongdoing and to promote, among other things, honest and ethical conduct and to ensure to the extent possible that our business is conducted in a consistently legal and ethical manner. Our Code of Business Conduct and Ethics is publicly available on our website at *www.celldextherapeutics.com*. If we make any substantive amendments to the Code of Business Conduct and Ethics or grant any waiver, including any implicit waiver from a provision of the Code of Business Conduct and Ethics to our directors or executive officers, we will disclose the nature of such amendments or waiver on our website or in a current report on Form 8-K.

The Board of Directors and Its Committees

Board of Directors. Celldex is currently managed by an eight member Board of Directors, a majority of whom are "independent" as that term is defined in the applicable NASDAQ listing standards. Our Board of Directors met nine times in 2008. Each of the directors attended at least 75% of the aggregate of (i) the total number of meetings of our Board of Directors (held during the period for which such directors served on the Board of Directors) and (ii) the total number of meetings of all committees of our Board of Directors on which the Director served (during the periods for which the director served on such committee or committees). Our annual meeting of stockholders is generally held to coincide with one of the Board's regularly scheduled meetings. Celldex does not have a formal policy requiring members of the Board of Directors to attend our annual meetings, although our directors typically attend the annual meeting. Each of the then current directors attended the 2008 annual meeting of stockholders.

Audit Committee. The Board of Directors has established an Audit Committee currently consisting of Larry Ellberger, Chairman, Harry H. Penner, Jr., and George O. Elston. Karen Shoos Lipton was also a member of the Audit Committee during a portion of 2008. The Audit Committee makes recommendations concerning the engagement of independent public accountants, reviews with the independent public accountants the scope and results of the audit engagement, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, considers the range of audit and non-audit fees, and reviews the adequacy of our internal accounting controls. Each member of the Audit Committee is "independent" as that term is defined in the rules of the Securities and Exchange Commission and the applicable NASDAQ listing standards. The Board has determined that each Audit Committee member has sufficient knowledge in financial and auditing matters to serve on the Committee. The Board has designated George O. Elston as an "audit committee financial expert," as defined under the applicable

rules of the Securities and Exchange Commission and the applicable NASDAQ listing standards. The Audit Committee met eight times during 2008. Our Board has adopted an Audit Committee Charter, which is available for viewing at *www.celldextherapeutics.com*.

Compensation Committee. The Board of Directors has established a Compensation Committee currently consisting of Dr. Rajesh B. Parekh, Chairman, Harry H. Penner, Jr. and Charles R. Schaller. During 2008, Karen Shoos Lipton and Larry Ellberger also were members of the Compensation Committee during a portion of 2008. The primary function of the Compensation Committee is to assist the Board in the establishment of compensation for the Chief Executive Officer and, upon his recommendation, to approve the compensation of other officers and senior employees and to approve certain other personnel and employee benefit matters. The Compensation Committee met four times during 2008. Our Board has adopted a Compensation Committee Charter, which is available for viewing at *www.celldextherapeutics.com.* Each member of the Compensation Committee is "independent" as that term is defined in the rules of the Securities and Exchange Commission and the applicable NASDAQ listing standards.

Nominating and Corporate Governance Committee. The Board of Directors has established a Nominating and Corporate Governance Committee consisting of Herbert J. Conrad, Chairman, Karen Shoos Lipton and Charles R. Schaller. The primary function of the Nominating and Corporate Governance Committee is to assist the Board in reviewing, investigating and addressing issues regarding Board composition, policy and structure; membership on Board committees; and other matters regarding the governance of Celldex. The Nominating and Corporate Governance Committee met once during 2008. Our Board has adopted a Nominating and Corporate Governance Charter, which is available for viewing at *www.celldextherapeutics.com*. Each member of the Nominating and Corporate Governance Committee is "independent" as that term is defined in the rules of the Securities and Exchange Commission and the applicable NASDAQ listing standards.

The process followed by the Nominating and Corporate Governance Committee to identify and evaluate candidates includes (i) the review of requests from Board members, management, members of the Nominating and Corporate Governance Committee, stockholders and other external sources; (ii) meetings from time to time to evaluate biographical information and background material relating to potential candidates to the Board; and (iii) interviews of selected candidates by members of the Committee and the Board. All nominees must have, at a minimum, high personal and professional integrity, exceptional ability and judgment, and be effective in collectively serving the long-term interests of all stockholders. Other qualifications that may be considered by the Committee are described in the Nominating and Corporate Governance Charter.

Stockholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential director candidates by submitting their names and background to the Secretary of Celldex at the address set forth below under "Stockholder Communications." All such recommendations will be forwarded to the Nominating and Corporate Governance Committee, which will review and consider only such recommendations if appropriate biographical and other information is provided, as described below, on a timely basis. All securityholder recommendations for director candidates must be submitted to Celldex not less than 120 calendar days prior to the date on which Celldex's proxy statement is released to stockholders in connection with the Company's annual meeting, and must include the following information:

- the name and address of record of the securityholder;
- a representation that the securityholder is a record holder of Celldex's securities, or if the securityholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b)(2) of the Securities Exchange Act of 1934;

- the name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five (5) full fiscal years of the proposed director candidate;

- a description of the qualifications and background of the proposed director candidate which addresses the minimum qualifications and other criteria for Board membership approved by the Board from time to time and set forth in the Nominating and Corporate Governance Committee's written charter;

- A description of any arrangements or understandings between the securityholder and the proposed director candidate; and

- The consent of the proposed director candidate to be named in the proxy statement relating to Celldex's annual meeting of stockholders and to serve as a director if elected at such annual meeting.

Assuming that appropriate information is provided for candidates recommended by stockholders, the Nominating and Corporate Governance Committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria, as for candidates submitted by Board members or other persons, as described above and as set forth in its written charter.

Item 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

We believe that the compensation of our executive officers should focus executive behavior on the achievement of near-term corporate targets as well as long-term business objectives and strategies. We reviewed the data reported in the 2007 executive compensation survey of over 400 biotechnology companies independently prepared by Aon-Radford but did not tie any aspect of compensation to any survey of peers. We believe that pay-for-performance compensation programs, which reward our executives when they achieve certain financial and business goals, create stockholder value and thus have emphasized company and individual performance in setting compensation. We use a combination of base salary, annual cash incentive compensation programs, a long-term equity incentive compensation program and a broad based benefits program to create a competitive compensation package for our executive management team. We describe below our compensation philosophy, policies and practices with respect to our Chief Executive Officer, Chief Financial Officer and our other executive officers, who are collectively referred to as our Named Executive Officers.

Administration and Objectives of Our Executive Compensation Program

The Compensation Committee of the Board of Directors, which is comprised of non-employee directors, is responsible for establishing and administering the policies governing the compensation of Celldex's employees, including salary, bonus and stock option grants. The policy of the Compensation Committee is to compensate our employees with competitive salaries based on their level of experience and job performance. All permanent employees, including executive officers, are eligible for annual bonus awards based on achievement of Celldex's strategic corporate goals, and participation in our stock option program. The bonus awards and stock option grants are made in accordance with the Celldex Performance Incentive Plan and 2008 Stock Option and Incentive Plan. The Compensation Committee is also responsible for the administration of our 2004 Employee Stock Purchase Plan, in which employees participate on a voluntary basis.

Our compensation committee has designed our overall executive compensation program to achieve the following objectives:

- attract and retain talented and experienced executives

- motivate and reward executives whose knowledge, skills and performance are critical to our success
- provide a competitive compensation package that aligns the interests of our executive officers and stockholders by including a significant variable component which is weighted heavily towards performance-based rewards, based upon achievement of pre-determined goals
- ensure fairness among the executive management team by recognizing the contributions each executive makes to our success
- foster a shared commitment among executives by aligning Celldex's and their individual goals, and
- compensate our executives to manage our business to meet our near-term and long-term objectives

We use a mix of short-term compensation (base salaries and cash incentive bonuses) and long-term compensation (equity incentive compensation) to provide a total compensation structure that is designed to achieve these objectives. We determine the percentage mix of compensation structures that we think is appropriate for each of our executive officers. In general, the Compensation Committee believes that a substantial percentage of the compensation of our executive officers should be performance based. The Compensation Committee uses its judgment and experience and the recommendations of the chief executive officer (except for his own compensation) to determine the appropriate mix of compensation for each individual.

In determining whether to adjust the compensation of any one of our executive officers, including our Named Executive Officers, we annually take into account the changes, if any, in the following:

- market compensation levels
- the contributions made by each executive officer
- the performance of each executive officer
- the increases or decreases in responsibilities and roles of each executive officer
- the business needs for each executive officer
- the relevance of each executive officer's experience to other potential employers
- the readiness of each executive officer to assume a more significant role within the organization

In addition, with respect to new executive officers, we take into account their prior base salary and annual cash incentives, their expected contribution and our business needs. We believe that our executive officers should be fairly compensated each year relative to market pay levels within our industry and that there should also be internal equity among our executive officers.

Executive Compensation Components

In order to both attract and retain experienced and qualified executives to manage Celldex, the Compensation Committee's policy on executive compensation is to (i) pay salaries which are competitive with the salaries of executives in comparable positions in the biotechnology industry, and (ii) allow for additional compensation upon achievement of goals under the Performance Incentive Plan and through the appreciation of stock-based incentive awards. This policy is designed to have a significant portion of each executive's total compensation be tied to Celldex's progress in order to incentivize the executive to fully dedicate himself or herself to achievement of corporate goals, and to align the executive's interest with those of our stockholders through equity incentive compensation.

Our executive compensation program is primarily composed of base salary, annual incentive cash compensation payable on an annual basis and equity compensation. In addition, we provide our executives with benefits that are generally available to our salaried employees, including medical,

dental, group life and accidental death and dismemberment insurance, short- and long-term disability coverage and our 401(k) plan. Within the context of the overall objectives of our compensation programs, we determined the specific amounts of compensation to be paid to each of our executives in 2008 based on a number of factors including:

- our understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities
- the roles and responsibilities of our executives
- the individual experience and skills of, and expected contributions from, our executives
- the amounts of compensation being paid to our other executives
- our executives' historical compensation at Celldex

We discuss each of the primary elements of our executive compensation in detail below. While we have identified particular compensation objectives that each element of executive compensation serves, our compensation programs complement each other and collectively serve all of our executive compensation objectives described above. Accordingly, whether or not specifically mentioned below, we believe that, as a part of our overall executive compensation, each element to a greater or lesser extent serves each of our objectives.

Base salary. Each executive officer (except the chief executive officer whose performance is reviewed by the Compensation Committee) has an annual performance review with the chief executive officer who makes recommendations on salary increases, promotions and stock option grants to the Compensation Committee. We have historically established base salaries for each of our executives based on many factors, including average salary increases expected in the biotechnology industry in the Boston, Massachusetts and central New Jersey areas, competition in the marketplace to hire and retain executives, experiences of our Board members and leadership team with respect to salaries and compensation of executives in similarly situated companies in our industry and other similar industries, as well as additional factors which we believe enables us to hire and retain our leadership team in an extremely competitive environment. Our compensation committee annually reviews salary ranges and individual salaries for our executive officers.

Performance Incentive Plan. We have designed our performance plan program to reward our executive officers upon the achievement of certain annual revenue, cash flow, research, clinical development, regulatory and business development goals, as approved in advance by our compensation committee and the board of directors. The bonus award is based on achievement of Celldex's corporate goals which are set at the beginning of each fiscal year and measured against performance at the end of the year by Celldex in accordance with the Performance Incentive Plan. The corporate goals were allocated between specific product and financial performance targets. Our performance plan emphasizes pay-for-performance and is intended to closely align executive compensation with achievement of certain operating results and an increase in stockholder value. The compensation committee and the board of directors communicate the bonus criteria to employees, including the named executive officers, at the beginning of the fiscal year. The performance goals and bonus criteria established by the compensation committee under the Performance Incentive Plan are designed to require significant effort and operational success on the part of our executives and Celldex for achievement. We measure such bonus criteria against actual operating results on an annual basis.

Following the Merger, the Compensation Committee worked with management to set bonus goals for the Company for 2008. Among those goals were: post-Merger integration of programs, personnel and budgets; finalizing the license and development agreement transaction with Pfizer or obtaining financing to ensure sufficient cash reserves through the end of 2010; developing a 2008 and 2009 operational budget and obtaining Board approval; initiating at least two new INDs in cancer and infectious disease; development, and Board approval, of a plan to build a clinical pipeline of novel

monoclonal antibodies; and announce clinical activities on three lead immunotherapy products. Following the end of 2008, the Compensation Committee determined that the Company had achieved at least 85% of its stated bonus objectives. In addition, the Compensation Committee determined that several additional achievements, namely the agreement in principle to out-license the CholeraGarde and ETEC programs, the agreement in principle to sell the poultry vaccine business, the sale of the Company's former interest in Select Vaccines, the acquisition of TLR assets from 3M Company and the on-going clinical development of those assets within three months of licensing-in resiquimod, as well as the progress of clinical development of CDX-110 with Pfizer, resulted in the Compensation Committee's determination that the Company's 2008 bonus pool should be be determined as if 100% of the goals for 2008 had been achieved.

Equity Compensation. We also use stock options and equity-based incentive programs to attract, retain, motivate and reward our executive officers. Through our equity-based grants, we seek to align the interests of our executive officers with our stockholders, reward and motivate both near-term and long-term executive performance and provide an incentive for retention. Our decisions regarding the amount and type of equity incentive compensation and relative weighting of these awards among total executive compensation have been based on our understanding of market practices of similarly situated companies and our negotiations with our executives in connection with their initial employment or promotion.

Our recent practice has been to grant equity-based awards to our executive officers, if any at all, on an annual basis. All such grants are subject to approval by the Compensation Committee at a regularly scheduled meeting during the year. The date of grant and the fair market value of the award are based upon the date of the Compensation Committee meeting approving such grant. When granting stock options, the Compensation Committee considers a number of factors in determining the amount of equity incentive awards, if any, to grant to our executives, including:

- the existing levels of stock ownership among the executive officers relative to each other and to our employees as a whole
- previous grants of stock options to such executive officers
- vesting schedules of previously granted options
- the performance of the executives and their contributions to our overall performance
- an outside survey of stock option grants and restricted common stock awards in the biotechnology industry
- an internally prepared survey of similarly situated biotechnology companies' proxy statements
- personal knowledge of the Compensation Committee members regarding executive stock options and restricted common stock awards at comparable companies
- the impact of stock option awards on our results of operations and
- the amount and percentage of our total equity on a diluted basis held by our executives

Equity compensation awards to our Named Executive Officers primarily consist of stock option awards. Stock option awards provide our executive officers with the right to purchase shares of our common stock at a fixed exercise price typically for a period of up to ten years, subject to continued employment with Celldex. Stock options are earned on the basis of continued service to us and generally vest over four years, beginning with 25% vesting one year after the date of grant, then pro-rata vesting primarily quarterly or monthly thereafter. All historical option grants were made at what our Compensation Committee and Board of Directors determined to be the fair market value of our shares of our common stock on the respective grant dates.

On January 6, 2009, the Board of Directors awarded 5,868 shares of restricted stock having a fair value of $50,000 to each of Messrs. Marucci, Catlin, Keler, Davis and Newbold based on the degree of success in 2008 of integrating the businesses of Celldex and AVANT following the Merger.

In April 2007, we adopted an equity grant policy that formalizes how we grant equity awards by setting a regular schedule for grants, outlining grant approval requirements and specifying how awards are priced. We believe that this policy will enable us to avoid any option backdating issues or concerns that our awards were timed to precede or follow our release or withholding of material non-public information.

Other Benefits

We believe that establishing competitive benefit packages for our employees is an important factor in attracting and retaining highly qualified personnel. Executive officers are eligible to participate in all of our employee benefit plans, such as medical, dental, group life and accidental death and dismemberment insurance, short- and long-term disability coverage and our 401(k) plan, in each case on the same basis as other employees. We provide a matching contribution under our 401(k) plan.

Summary Compensation Table

The following summary compensation table reflects certain information concerning compensation for services in all capacities awarded to, earned by or paid during the years ended December 31, 2008, 2007 and 2006 to each person who served as Celldex's Chief Executive Officer, Chief Financial Officer, the three other most highly compensated executive officers employed by the Company as of December 31, 2008 and up to two additional executive officers who would have been among the most highly compensated executive officers had they been employed as of December 31, 2008 (collectively, the "Named Executive Officers").

Name and Principal Position	Years	Salary ($)	Bonus ($)(1)	Stock Awards ($)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
Anthony S. Marucci(4)	2008	302,800	137,400	50,000(5)	675,884	—	—	4,783	1,170,867
President and Chief	2007	—	—	—	—	—	—	—	—
Executive Officer	2006	—	—	—	—	—	—	—	—
Una S. Ryan, Ph.D.(6)	2008	235,358	—	—	1,309,096	—	—	1,336,368	2,880,822
Former President and Chief	2007	440,000	123,200	—	12,266	—	—	2,700	578,166
Executive Officer	2006	415,000	73,040	1,225,000(7)	26,250	—	—	2,700	1,741,990
Avery W. Catlin	2008	262,170	57,700	50,000(5)	156,570	—	—	3,483	529,923
Senior Vice President and	2007	251,121	35,818	—	15,615	—	—	2,700	305,254
Chief Financial Officer	2006	241,462	21,249	—	12,088	—	—	2,680	277,479
Tibor Keler., Ph.D.(8)	2008	250,000	96,600	50,000(5)	675,884	—	—	3,822	1,076,306
Senior Vice President and	2007	—	—	—	—	—	—	—	—
Chief Scientific Officer	2006	—	—	—	—	—	—	—	—
Thomas Davis, M.D.(9)	2008	300,000	96,600	50,000(5)	266,926	—	—	3,886	717,412
Senior Vice President and	2007	—	—	—	—	—	—	—	—
Chief Medical Officer	2006	—	—		—	—	—	—	—
Ronald C. Newbold, Ph.D.(10)	2008	250,000	62,500	50,000(5)	172,237	—	—	4,134	538,871
Senior Vice President,	2007	—	—	—	—	—	—	—	—
Business Development	2006	—	—	—	—	—	—	—	—

(1) The amounts in the Bonus column include annual bonus amounts earned in 2008, 2007 and 2006 under Celldex's Performance Incentive Plan.

(2) The amounts in the Option Awards column reflect the dollar amounts recognized for financial statement purposes for the fiscal years ended December 31, 2008, 2007 and 2006, in accordance with FAS 123(R), (excluding the impact of estimated forfeitures related to service-based vesting conditions), for awards pursuant the Celldex 2008 Stock Option and Incentive Plan, and thus may include amounts attributable to awards granted during and before 2008. Assumptions made in the calculation of these amounts are included in Note 3. These numbers reflect the 1-for-12 reverse stock split effected on March 7, 2008.

(3) The amounts listed in the All Other Compensation column includes Celldex's matching contribution to the 401(k) Savings Plan of each named executive officer and premiums paid for life insurance under Celldex's nondiscriminatory group plan for each named executive officer. In addition, Dr. Ryan received a lump sum cash payment of $1,323,203, plus interest in the amount of $10,784, which was paid on November 8, 2008, as provided by her Severance Agreement.

(4) Mr. Marucci joined Celldex on March 7, 2008 upon the consummation of the Merger. On September 25, 2008, Mr. Marucci became our President and CEO and his base salary was increased from $250,000 to $458,000 on an annualized basis.

(5) On January 6, 2009, the Company's Board of Directors awarded to each of Messrs. Marucci, Catlin Keler, Davis and Newbold restricted shares of common stock having a value of $50,000 as a special payment for the successful integration in 2008 of the two companies post-Merger.

(6) Dr. Ryan resigned from her position as President and Chief Executive Officer effective May 7, 2008.

(7) This amount relates to the modification during 2006 of prior awards. See "Compensation Discussion and Analysis—Executive Compensation Components—Equity Compensation." The amount represents non-cash deferred compensation recognized under SFAS 123(R) as a result of the modification in September 2006 of Restricted Stock Unit awards made to Dr. Ryan in September 2003, November 2004 and September 2005 to provide that they vest in their entirety upon the earlier of the sale of AVANT or Dr. Ryan's retirement at or after age 65. Insofar as Dr. Ryan reached age 65 in 2006, under SFAS 123(R) the entire unamortized fair value of the modified awards ($1,225,000) had to be recognized in 2006 even though Dr. Ryan continued to be an executive officer of the Company. The Restricted Stock Unit awards made to Dr. Ryan were settled for stock on a one-for-one basis upon the consummation of the Merger on March 7, 2008.

(8) Dr. Keler joined Celldex on March 7, 2008 upon the consummation of the Merger.

(9) Dr. Davis joined Celldex on March 7, 2008 upon the consummation of the Merger.

(10) Dr. Newbold joined Celldex on March 7, 2008 upon the consummation of the Merger. Dr. Newbold served as our Senior Vice President, Business Development, through December 31, 2008. He subsequently gave notice of his resignation.

Grants of Plan-Based Awards

The following table provides information on stock options, restricted stock units and performance stock units granted in 2008, 2007 and 2006 to each of Celldex's Named Executive Officers. The numbers below reflect the 1-for-12 reverse stock split effected on March 7, 2008.

GRANTS OF PLAN-BASED AWARDS

		Estimated Future Payouts Under Equity Incentive Plan Awards							
Name	Grant Date	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)(1)	Market Price on Date of Grant (#)(1)	Grant Date Fair Value of Stock and Option Awards ($)(2)
Anthony S. Marucci	03/06/08		254,243				8.16	7.56	1,022,057
Una S. Ryan, Ph.D.	07/16/08		153,125				8.16	14.95	1,309,096
Avery W. Catlin	03/07/08		183,333				8.16	7.56	762,317
Tibor Keler, Ph.D.	03/06/08		254,243				8.16	7.56	1,022,057
Thomas Davis, M.D.	03/06/08		148,825				8.16	7.56	636,971
Ronald C. Newbold, Ph.D.(3)	03/06/08		107,485				8.16	7.56	457,886

(1) The exercise price of the option awards differs from the market price on the date of grant. The exercise price is determined based on the average of the high and low price of Celldex's common stock on the date of grant, while the market price on the date of grant is the closing price of Celldex's common stock on that date.

(2) The grant date fair value is generally the amount Celldex would expense in its financial statements over the award's service period, but does not include a reduction for forfeitures.

(3) Dr. Newbold served as our Senior Vice President, Business Development, through December 31, 2008. He subsequently gave notice of his resignation.

Outstanding Equity Awards

The following table sets forth certain information regarding the stock option grants and stock awards to the Named Executive Officers of Celldex at the end of fiscal 2008. The numbers below reflect the 1-for-12 reverse stock split effected on March 7, 2008.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END—DECEMBER 31, 2008

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)
Anthony S. Marucci(1)	193,525	60,718		8.16	03/06/2018				
Una S. Ryan, Ph.D.	153,125	—		8.16	03/07/2011				
Avery W. Catlin(2)	—	183,333		8.16	03/07/2015				
Tibor Keler, Ph.D(3)	193,525	60,718		8.16	03/06/2018				
Thomas Davis, M.D.(4)	34,454	114,371		8.16	03/06/2018				
Ronald C. Newbold, Ph.D.(5)	20,025	87,460		8.16	03/06/2018				

(1) Options for 157,093 shares vested immediately and options for 97,150 shares vest over 24 months from the date of grant.

(2) Options are exercisable in 25% annual increments beginning on the first anniversary of the date of grant.

(3) Options for 157,093 shares vested immediately and options for 97,150 shares vest over 24 months from the date of grant.

(4) Options for 24,761 shares vested immediately, options for 26,914 shares vest over 25 months from the date of grant and options for 97,150 shares vest 25% on the first anniversary of the date of grant and then pro-rata over the remaining 36-month vesting period.

(5) Options for 14,211 shares vested immediately, options for 16,794 shares vest over 25 months from the date of grant and options for 76,480 shares vest 25% on the first anniversary of the date of grant and then pro-rata over the remaining 36-month vesting period. Dr. Newbold served as our Senior Vice President, Business Development, through December 31, 2008. He subsequently gave notice of his resignation.

Option Exercises and Stock Vested

The following table sets forth certain information regarding the number of option exercises in fiscal 2008 and the number of shares of restricted stock issued under the Celldex 2008 Stock Option and Incentive Plan that vested in fiscal 2008 and the corresponding amounts realized by the Named Executive Officers of Celldex. The numbers below reflect the 1-for-12 reverse stock split effected on March 7, 2008.

OPTION EXERCISES AND STOCK VESTED

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting ($)
Anthony S. Marucci	—	—	5,868	50,000
Avery W. Catlin	—	—	5,868	50,000
Tibor Keller, Ph.D.	—	—	5,868	50,000
Thomas Davis, M.D.	—	—	5,868	50,000
Ronald C. Newbold, Ph.D.	—	—	5,868	50,000

(1) On January 6, 2009, the Board of Directors awarded 5,868 shares of restricted stock having a fair value of $50,000 to each of Messrs. Marucci, Catlin, Keler, Davis and Newbold based on the degree of success in 2008 of integrating the businesses of Celldex and AVANT following their merger. The stock awards were fully vested at grant.

Employment Agreements

The Company became the sole shareholder of Celldex Research as the result of the Merger. Celldex Research was a party to employment agreements with each of Mr. Anthony Marucci, Dr. Tibor Keler, Dr. Thomas Davis and Dr. Ronald Newbold. Each of the employment agreements' initial terms had expired, but the agreements renewed automatically on a year-to-year basis absent notice of termination. Mr. Marucci had served as Celldex's Executive Vice President, Corporate Development, until his appointment as interim Chief Executive Officer in July 2008 and his appointment as CEO and President in September 2008 as further described below. While serving as Executive Vice President, Corporate Development, Mr. Marucci received an annual base salary of $250,000, subject to annual review and a bonus of up to 30% of base salary, plus a special weekly bonus upon his appointment as interim CEO. His salary was increased to $458,000 upon becoming CEO and President. Dr Keler serves as Celldex's Senior Vice President and Chief Scientific Officer and receives an annual base salary of $250,000, subject to annual review and a bonus of up to 30% of base salary. Dr. Davis serves as Celldex's Senior Vice President and Chief Medical Officer and receives an annual base salary of $300,000, subject to annual review and a bonus of up to 25% of base salary. In 2008, Dr. Newbold served as Celldex's Senior Vice President, Business Development, and received an annual salary of $250,000, subject to annual review and a bonus of up to 25% of base salary.

Each of the Celldex Research employment agreements provided for the payment of severance benefits in connection with certain terminations of service. In the event the employee's service is terminated as a result of Celldex Research's non-renewal of the agreement, by the employee for "good reason" or otherwise by Celldex Research without cause, the employee would have been entitled to one year's severance pay, subject to reduction (in the case of a non-renewal termination only) if such employee finds alternative employment during that period. Each of the agreements also included a change of control termination right in favor of the employee that would have allowed the employee to receive benefits, including a lump-sum payment of one full year's salary, continued medical benefits for

two years and the acceleration of options, if such employee terminated his employment within one year following the consummation of the merger.

The agreements included customary non-competition and non-solicitation provisions that apply during the term of employment and for a period of one year thereafter in the case of a resignation by the employee without cause or a "for cause" termination of the employee by Celldex.

The prior employment agreements that Celldex Research had with Messrs. Davis, Keler and Marucci have been terminated and are no longer in effect. Dr. Newbold gave notice that he is terminating his employment with Celldex Research effective March 1, 2009.

In 2008, Mr. Catlin had an agreement with the Company under which he was eligible for a severance payment of twelve months' base salary, continuation of health insurance benefits for twelve months and 100% vesting of all stock option grants in the event of his termination following a change-of-control, as defined in the Company's Stock Option and Incentive Plan.

As of October 19, 2007, Celldex Research and Dr. Robert F. Burns, Celldex Research's former CEO, entered into a separation and mutual release agreement under which Dr. Burns' employment was terminated, effective as of February 15, 2008. As severance, Celldex Research was obligated to pay to Dr. Burns the sum of GBP 33,333.33 per month for nine consecutive months, commencing with the first payment on March 15, 2008, and a payment of GBP 100,000.00 on December 15, 2008, in each case less applicable withholdings and other customary payroll deductions. Dr. Burns is also entitled to the continuation of benefits until February 15, 2010. All of Dr. Burn's stock options became fully exercisable on February 15, 2008, and he may exercise them for up to three years following that date. Dr. Burns and Celldex Research provided one another with mutual releases under the separation and mutual release agreement.

Effective May 7, 2008, Dr. Una S. Ryan resigned from her position as the Company's President and Chief Executive Officer and we entered into a Separation and General Release Agreement with Dr. Ryan effective July 16, 2008 ("Ryan Separation Agreement"). The Ryan Separation Agreement provides, among other things, for: (i) a lump sum cash payment of $1,323,203, plus interest in the amount of $10,784.10, which is payable on November 8, 2008; (ii) a mutual general release; (iii) payment of insurance premiums under COBRA for 18 months; (iv) reimbursement of attorneys' fees up to $30,000 and (v) vesting of options to purchase 153,125 shares of Company common stock (of the options to purchase 612,500 shares of Company common stock which had been granted to Dr. Ryan on March 7, 2008). The remainder of Dr. Ryan's options terminated as of July 16, 2008, the date of the Ryan Separation Agreement and the date of Dr. Ryan's resignation from our Board of Directors.

Prior to her resignation, the terms of Dr. Ryan's compensation were governed by the following employment agreement, which is no longer in effect. Dr. Ryan entered into an employment agreement with the Company (the "agreement"), which was amended and restated as of August 20, 1998, amended as of December 23, 2002, September 18, 2003 and again as of October 19, 2007. The term of the agreement would have been for 13 months from the effective date of the Merger, with rolling automatic one-year extensions. If prior to a change in control (as defined in the Company's Stock Option and Incentive Plan), Dr. Ryan's employment had been terminated by the Company without cause (as defined in the agreement), Dr. Ryan would have been eligible to receive a lump sum amount equal to one year's salary, at the rate then in effect, and continuation of group health plan benefits for a period of up to twelve (12) months. If within a year after a change in control, Dr. Ryan's employment had been terminated by the Company without cause or by Dr. Ryan for good reason (as defined in the agreement), or if a change in control had occurred within one (1) year after Dr. Ryan is terminated without cause by the Company, Dr. Ryan would have been entitled to receive a lump sum amount equal to three (3) times the base amount (as defined in Section 280G(b)(3) of the Internal Revenue Code of 1986, as amended) applicable to Dr. Ryan, less one dollar ($1.00). Such severance may have

been further reduced to the extent necessary to preserve the Company's tax deduction. Further, if Dr. Ryan's employment had been terminated by the Company without cause or by Dr. Ryan for good reason at any time after the Merger, or Dr. Ryan resigned or was terminated by the Company or after the first anniversary of the Merger for any reason, the Company would have been required to pay Dr. Ryan a special retirement payment of $1,323,203.

On July 23, 2008, the Company entered into an employment agreement ("Employment Agreement") with Anthony S. Marucci (the "Executive"). Mr. Marucci served as the Company's Executive Vice President, Corporate Development from March 7, 2008 and served as its Chief Executive Officer and President on an interim basis until September 25, 2008 when he was appointed as the Company's permanent Chief Executive Officer. The Employment Agreement provides, among other things, for: (i) an annual base salary of $250,000 (increased to $458,000 on September 25, 2008); (ii) an annual cash bonus in an amount established by the Company's Board of Directors; (iii) a weekly bonus of $3,992.31 during the period in which the Executive serves as interim Chief Executive Officer and President (which ended on September 25, 2008); (iv) a lump sum severance payment equal to 200% of the Executive's then-base salary (not including bonus) in the event that his employment is terminated without cause or he resigns "for good reason" (as defined in the Employment Agreement); and (v) accelerated vesting of any unvested Equity Awards (as defined in the Employment Agreement) and a lump sum cash payment equal to twenty four (24) times Executive's highest monthly base compensation (not including bonus) during the twenty-four month period prior to the date of termination plus the average of the annual discretionary bonuses (but not the bonuses received for serving as interim Chief Executive Officer) received by the Executive during the two full fiscal years prior to the date of termination in the event of termination without cause or resignation "for good reason" by the Executive within one year immediately following a Change in Control (as defined in the Employment Agreement). The Employment Agreement has an initial term through July 30, 2011 and shall automatically renew for additional one year terms unless either party gives ninety (90) days prior written notice of its intent not to renew.

On January 6, 2009, the Company entered into employment agreements with Mr. Catlin and Drs. Davis, MD and Keler.

The employment agreements between the Company and Messrs. Catlin, Davis and Keler provide, among other things, for: (i) annual base salary ($288,250 in the case of Mr. Catlin, $362,400 in the case of Dr. Davis, and $342,000 in the case of Dr. Keler); (ii) an annual discretionary bonus in an amount established by the Company's Board of Directors or the Compensation Committee thereof; (iii) a lump sum severance payment equal to 200% of the executive's then-base salary n the event that his employment is terminated without cause or he resigns "for good reason" (as defined in the employment agreement); and (iv) accelerated vesting of any unvested equity awards (as defined in the employment agreement) and a lump sum cash payment equal to twelve (12) times the executive's highest monthly base compensation (not including bonus) during the twenty-four month period prior to the date of termination plus the average of the annual discretionary bonuses received during the two full fiscal years prior to the date of termination in the event of termination without cause or resignation "for good reason" by the executive within one year immediately following a change in control (as defined in the employment agreement).

The employment agreements have an initial term through December 31, 2011 and shall automatically renew for additional one year terms unless either party gives ninety (90) days prior written notice of its intent not to renew. The Company may terminate the employment agreements without cause, on 90-days' prior notice, or for cause, subject to a 30-day cure period in certain circumstances.

On January 6, 2009, the Company also entered into an amended and restated employment agreement with Anthony S. Marucci, President and Chief Executive Officer, which removed references

to his being "interim" Chief Executive Officer and President and conformed the initial term and other provisions so that they are coordinated with the employment agreements entered into and between the Company and Messrs. Catlin, Davis and Keler.

Pension Benefits

None of our Named Executive Officers participate in qualified or nonqualified defined benefit plans sponsored by Celldex.

Nonqualified Deferred Compensation

None of our Named Executive Officers are covered by a defined contribution or other plan that provides for the deferral of compensation on a basis that is not tax-qualified.

Potential Payments Upon Termination of Employment or Change in Control

Certain of our Named Executive Officers have and had provisions in their employment agreements regarding severance upon certain termination events or acceleration of stock options in the event of a change of control of Celldex or termination following a change of control. These severance and acceleration provisions are described in "Employment Agreements," and certain estimates of these change of control benefits are provided in the tables below.

Anthony S. Marucci

The following table describes the potential payments and benefits upon employment termination for Anthony S. Marucci, president and chief executive officer, as if his employment had terminated as of December 31, 2008, the last business day of our latest fiscal year.

Executive benefits and payments upon termination	Voluntary resignation for no good reason	Voluntary resignation for good reason	Termination by Celldex not for cause	Termination by Celldex for cause	Voluntary termination by the executive for good reason or termination by Celldex without cause in connection with or following change of control(1)
Base salary	$ —	$ 916,000	$ 916,000	$ —	$ 916,000
Bonus	—	—	—	—	106,200
Equity Awards Acceleration	—	—	—	—	—
Continuation of Health Benefits	—	23,550	23,550	—	23,550
Total	$ —	$ 939,550	$ 939,550	$ —	$ 1,045,750

(1) On change of control, the employee is generally entitled to a lump sum payment equal to twenty-four times the employee's highest monthly base salary payment over the prior twenty-four months plus the employee's average annual bonus over the prior twenty-month period.

Avery W. Catlin

The following table describes the potential payments and benefits upon employment termination for Avery W. Catlin, chief financial officer, as if his employment had terminated as of December 31, 2008, the last business day of our latest fiscal year.

Executive benefits and payments upon termination	Voluntary resignation for no good reason	Voluntary resignation for good reason	Termination by Celldex not for cause	Termination by Celldex for cause	Voluntary termination by the executive for good reason or termination by Celldex without cause in connection with or following change of control(1)
Base salary	$ —	$ 576,500	$ 576,500	$ —	$ 288,250
Bonus	—			—	46,759
Equity Awards Acceleration	—	—	—	—	—
Continuation of Health Benefits	—	16,838	16,838	—	16,838
Total	$ —	$ 593,338	$ 593,338	$ —	$ 351,847

(1) On change of control, the employee is generally entitled to a lump sum payment equal to twelve times the employee's highest monthly base salary payment over the prior twenty-four months plus the employee's average annual bonus over the prior twenty-month period.

Tibor Keler, Ph.D.

The following table describes the potential payments and benefits upon employment termination for Tibor Keler, Ph.D., chief scientific officer, as if his employment had terminated as of December 31, 2008, the last business day of our latest fiscal year.

Executive benefits and payments upon termination	Voluntary resignation for no good reason	Voluntary resignation for good reason	Termination by Celldex not for cause	Termination by Celldex for cause	Voluntary termination by the executive for good reason or termination by Celldex without cause in connection with or following change of control(1)
Base salary	$ —	$ 684,000	$ 684,000	$ —	$ 342,000
Bonus	—	—	—	—	85,800
Equity Awards Acceleration	—	—	—	—	—
Continuation of Health Benefits	—	23,550	23,550	—	23,550
Total	$ —	$ 707,550	$ 707,550	$ —	$ 451,350

(1) On change of control, the employee is generally entitled to a lump sum payment equal to twelve times the employee's highest monthly base salary payment over the prior twenty-four months plus the employee's average annual bonus over the prior twenty-month period.

Thomas Davis, M.D.

The following table describes the potential payments and benefits upon employment termination for Thomas Davis, M.D., chief medical officer, as if his employment had terminated as of December 31, 2008, the last business day of our latest fiscal year.

Executive benefits and payments upon termination	Voluntary resignation for no good reason	Voluntary resignation for good reason	Termination by Celldex not for cause	Termination by Celldex for cause	Voluntary termination by the executive for good reason or termination by Celldex without cause in connection with or following change of control(1)
Base salary	$ —	$ 724,800	$ 724,800	$ —	$ 362,400
Bonus	—	—	—	—	85,800
Equity Awards Acceleration	—	—	—	—	—
Continuation of Health Benefits	—	23,718	23,718	—	23,718
Total	$ —	$ 748,518	$ 748,518	$ —	$ 471,918

(1) On change of control, the employee is generally entitled to a lump sum payment equal to twelve times the employee's highest monthly base salary payment over the prior twenty-four months plus the employee's average annual bonus over the prior twenty-month period.

Ronald C. Newbold, Ph.D.

The following table describes the potential payments and benefits upon employment termination for Ronald C. Newbold, Ph.D., vice president, business development, as if his employment had terminated as of December 31, 2008, the last business day of our latest fiscal year.

Executive benefits and payments upon termination	Voluntary resignation for no good reason	Voluntary resignation for good reason	Termination by Celldex not for cause	Termination by Celldex for cause	Voluntary termination by the executive for good reason or termination by Celldex without cause in connection with or following change of control(1)
Base salary	$ —	$ 250,000	$ 250,000	$ —	$ 250,000
Bonus	—	—	—	—	59,688
Equity Awards Acceleration	—	—	—	—	—
Continuation of Health Benefits	—	23,718	23,718	—	23,718
Total	$ —	$ 273,718	$ 273,718	$ —	$ 333,406

(1) On change of control, the employee is generally entitled to a lump sum payment equal to twelve times the employee's highest monthly base salary payment over the prior twenty-four months plus the employee's average annual bonus over the prior twenty-month period.

Director Compensation

Effective March 8, 2008, the following director non-equity compensation policy was adopted. Directors who are not employees of Celldex are each entitled to receive a retainer fee of $50,000 each fiscal year ("Annual Retainer"). The Chairman of the Board is entitled to receive an annual retainer fee of $40,000 in addition to his or her Annual Retainer and any retainer for committee service. The Chairperson of each committee of the Board of Directors is entitled to receive an annual retainer fee of $30,000 in addition to his or her Annual Retainer. Each committee member (other than the Chairperson of a committee) will receive an annual retainer of $20,000 in addition to his or her Annual

Retainer. Each Director who resides outside the United States shall receive an additional stipend of $20,000. Stipends and retainers are paid in advance on a quarterly basis. The Directors shall be reimbursed for necessary travel and business expenses as incurred but will not receive any additional fees for attending meetings or calls of the Board of Directors. As of February 20, 2009, the current independent directors had the following stock options outstanding: Charles R. Schaller—26,882, Herbert J. Conrad—29,879, Larry Ellberger—29,728, George O. Elston—29,879, Karen Shoos Lipton—29,728, Rajesh B. Parekh—29,879 and Harry H. Penner, Jr.—29,728.

This table summarizes the annual cash compensation for Celldex's non-employee directors during 2008.

DIRECTOR COMPENSATION—2008

Name	Fees Earned or Paid in Cash ($)	Stock Award ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Charles R. Schaller	139,000	—	79,496	—	—	—	218,496
Herbert J. Conrad	88,750	—	46,231	—	—	—	134,981
Larry Ellberger	83,000	—	75,089	—	—	—	158,089
George O. Elston	78,750	—	46,231	—	—	—	124,981
Karen Shoos Lipton	73,000	—	75,089	—	—	—	148,089
Dr. Rajesh B. Parekh	81,750	—	46,231	—	—	—	127,981
Harry H. Penner, Jr.	93,000	—	75,089	—	—	—	168,089

(1) The amounts in the Option Awards column reflect the dollar amounts recognized for financial statement purposes for the fiscal year ended December 31, 2008, in accordance with FAS 123(R), (excluding the impact of estimated forfeitures related to service-based vesting conditions), for awards pursuant the Celldex 2008 Stock Option and Incentive Plan, and thus may include amounts attributable to awards granted during and before 2008 and 2007. Assumptions made in the calculation of these amounts are included in Note 3. These numbers reflect the 1-for-12 reverse stock split effected on March 7, 2008.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Board of Directors was composed at various times during the year by the following five non-employee directors: Messrs. Rajesh B. Parekh, Harry H. Penner, Jr., Larry Ellberger and Charles R. Schaller and Ms. Karen Shoos Lipton. None of these Compensation Committee members was an officer or employee of Celldex during the year. No Compensation Committee interlocks between Celldex and another entity existed.

COMPENSATION COMMITTEE REPORT*

The Compensation Committee of Celldex has reviewed the Compensation Discussion and Analysis with management and based on a review of the Compensation Discussion Analysis, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K.

Compensation Committee
Dr. Rajesh B. Parekh, Chairman
Harry H. Penner, Jr.
Charles R. Schaller

* The foregoing report of the Compensation Committee is not to be deemed "filed" with the Securities and Exchange Commission (irrespective of any general incorporation language in any document filed with the Securities and Exchange Commission) or subject to Regulation 14A of the Securities Exchange Act of 1934, as amended, or to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent we specifically incorporate it by reference into a document filed with the Securities and Exchange Commission.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table provides information as of December 31, 2008 regarding shares of common stock of Celldex that may be issued under our existing equity compensation plans, including Celldex's 2008 Stock Option and Incentive Plan (the "2008 Plan") and Celldex's 2004 Employee Stock Purchase Plan (the "2004 Plan"). Footnote (4) to the table sets forth the total number of shares of common stock of Celldex issuable upon the exercise of assumed options as of December 31, 2008, and of assumed options and warrants as of March 7, 2008, and the weighted average exercise price of these options and warrants.

	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights(1) (a)	Weighted Average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities referenced in column (a)) (c)
Equity compensation plans approved by security holders(2)	2,070,993(3)	$ 8.39	885,391(4)

(1) Does not include any Restricted Stock as such shares are already reflected in Celldex's outstanding shares.

(2) Consists of the 2008 Plan and the 2004 Plan.

(3) Does not include purchase rights accruing under the 2004 Plan because the purchase price (and therefore the number of shares to be purchased) will not be determined until the end of the purchase period and reflects the 1-for-12 reverse stock split effected on March 7, 2008.

(4) Includes shares available for future issuance under the 2004 Plan.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of February 20, 2009 with respect to the beneficial ownership of common stock of the Company by the following: (i) each of the Company's current directors; (ii) each of the Named Executive Officers; (iii) the current executive officers; (iv) all of the executive officers and directors as a group; and (v) each person known by the Company to own beneficially more than five percent (5%) of the outstanding shares of the Company's common stock.

For purposes of the following table, beneficial ownership is determined in accordance with the applicable SEC rules and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as otherwise noted in the footnotes to the table, we believe that each person or entity named in the table has sole voting and investment power with respect to all shares of the Company's common stock shown as beneficially owned by that person or entity (or shares such power with his or her spouse). Under the SEC's rules, shares of the Company's common stock issuable under options that are exercisable on or within 60 days after February 20, 2009 ("Presently Exercisable Options") are deemed outstanding and therefore included in the number of shares reported as beneficially owned by a person or entity named in the table and are used to compute the percentage of the common stock beneficially owned by that person or entity. These shares are not, however, deemed outstanding for computing the percentage of the common stock beneficially owned by any other person or entity.

The percentage of the common stock beneficially owned by each person or entity named in the following table is based on 15,820,593 shares of common stock outstanding as of February 20, 2009 plus any shares issuable upon exercise of Presently Exercisable Options held by such person or entity and reflects the 1-for-12 reverse stock split effected on March 7, 2008:

Name and Business Address of Beneficial Owners*	Amount and Nature of Beneficial Ownership(1)	Percentage of Common Stock(2)
Medarex, Inc.(3)	4,960,848(4)	31.4%
Apax WW Nominees Ltd.	1,384,663	8.8
Pfizer Vaccines	781,250	4.9
Directors and Executive Officers		
Charles R. Schaller	23,882(5)	**
Herbert J. Conrad	23,879(6)	**
Larry Ellberger	23,728(7)	**
George O. Elston	23,879(8)	**
Karen Shoos Lipton	24,061(9)	**
Dr. Rajesh B. Parekh	23,879(10)	**
Harry H. Penner, Jr.	23,728(11)	**
Anthony S. Marucci	215,585(12)	1.3
Una S. Ryan, Ph.D.	314,058(13)	2.0
Avery W. Catlin	53,592(14)	**
Tibor Keler, Ph.D.	215,585(15)	1.3
Thomas Davis M.D.	70,941(16)	**
Ronald C. Newbold, Ph.D.	113,353(17)	**
All Directors and Executive Officers as a group (Consisting of 12 persons)	1,150,150(18)	6.86%

* Unless otherwise indicated, the address is c/o Celldex Therapeutics, Inc., 119 Fourth Avenue, Needham, Massachusetts 02494-2725.

** Less than 1%.

(1) Unless otherwise indicated, the persons shown have sole voting and investment power over the shares listed.

(2) Common stock includes all outstanding common stock plus, as required for the purpose of determining beneficial ownership (in accordance with Rule 13d-3(d)(1) of the Securities Exchange Act of 1934, as amended), all common stock subject to any right of acquisition, through exercise or conversion of any security, within 60 days of the record date.

(3) The principal business address for Medarex, Inc., a New Jersey corporation ("Medarex") is 707 State Road, Princeton, New Jersey 08540.

(4) Represents 4,960,848 shares of common stock which Medarex acquired as a result of the Merger. Medarex may be deemed to have sole voting power and the sole power to dispose of such shares of common stock. We have been advised that to the extent that the directors of Medarex may be deemed to share the power to vote (and direct the vote of) or dispose of (or direct the disposition of) such shares of common stock owned of record by Medarex, each such director disclaims beneficial ownership of the shares of common stock owned by Medarex.

(5) Represents 3,000 shares of common stock owned directly by Mr. Schaller and 20,882 shares of common stock issuable upon exercise of Presently Exercisable options. Excludes 6,000 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20,

2009. Does not include 4,960,848 shares of common stock owned by Medarex. Mr. Schaller is a director of Medarex and to the extent that by virtue of his role as director Mr. Schaller may be deemed to share the power to vote (and direct the vote of) or dispose of (or direct the disposition of) such shares of common stock owned of record by Medarex, Mr. Schaller disclaims beneficial ownership of the shares of common stock owned by Medarex.

(6) Includes 23,879 shares of common stock issuable upon exercise of Presently Exercisable Options. Excludes 6,000 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(7) Includes 23,728 shares of common stock issuable upon exercise of Presently Exercisable Options. Excludes 6,000 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(8) Includes 23,879 shares of common stock issuable upon exercise of Presently Exercisable Options. Excludes 6,000 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(9) Includes 333 shares of common stock owned directly by Ms. Lipton and 23,728 shares of common stock issuable upon exercise of Presently Exercisable options. Excludes 6,000 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(10) Includes 23,879 shares of common stock issuable upon exercise of Presently Exercisable Options. Excludes 6,000 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(11) Includes 23,728 shares of common stock issuable upon exercise of Presently Exercisable Options. Excludes 6,000 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(12) Includes 5,868 shares of common stock owned directly by Mr. Marucci and 209,717 shares of common stock issuable upon exercise of Presently Exercisable options. Excludes 44,526 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(13) Includes 153,125 shares of common stock issuable upon exercise of Presently Exercisable options. Includes 83,333 Restricted Stock Units, which are fully vested and were settled for stock on a one-for-one basis upon the consummation of the Merger on March 7, 2008. Includes 74,934 shares of common stock owned directly by Dr. Ryan and 2,666 shares owned by Dr. Ryan's husband, of which Dr. Ryan disclaims beneficial ownership. Dr. Ryan's employment with the Company terminated as of May 7, 2008 and she resigned from the Company's Board of Directors effective July 16, 2008. The information on the table is based solely upon data derived from publicly filed forms reporting her beneficial ownership and to the extent that this individual is no longer required to file forms reporting her beneficial ownership such information may not be correct.

(14) Includes 7,759 shares of common stock owned directly by Mr. Catlin and 45,833 shares of common stock issuable upon exercise of Presently Exercisable options. Excludes 137,500 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(15) Includes 5,868 shares of common stock owned directly by Dr. Keler and 209,717 shares of common stock issuable upon exercise Presently Exercisable options. Excludes 44,526 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(16) Includes 5,868 shares of common stock owned directly by Dr. Davis and 65,073 shares of common stock issuable upon exercise of Presently Exercisable options. Excludes 83,752 shares of common stock issuable upon exercise of options, which will not vest within 60 days of February 20, 2009.

(17) Includes 5,868 shares of common stock owned directly by Dr. Newbold and 107,485 shares of common stock issuable upon exercise of Presently Exercisable options. Dr. Newbold served as our Senior Vice President, Business Development, through December 31, 2008. He subsequently gave notice of resignation.

(18) Please refer to footnotes 5 - 17.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

It is our policy that all employees and directors, as well as their family members, must avoid any activity that is or has the appearance of conflicting with Celldex's business interest. This policy is included in our Code of Business Conduct and Ethics. All directors and officers of Celldex complete a directors and officers questionnaire at the beginning of each year, in which they are asked to disclose family relationships and other related party transactions. Our Audit Committee must review and approve all related party transactions, as defined in Item 404 of Regulation S-K. Our Audit Committee's procedures for reviewing related party transactions are not in writing. In fiscal 2008, there were no related party transactions. Charles Schaller is an independent director of Medarex, Inc. which is a principal shareholder of the Company. Medarex also has contractual relationships with the Company. Mr. Schaller does participate in the review or approval of any matter in which Medarex has a material interest.

Director Independence

For information on director independence, please see Item 10 above under the caption "The Board of Directors and Its Committees."

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The Audit Committee approved the engagement of PricewaterhouseCoopers LLP as Celldex's independent registered public accounting firm for fiscal 2008 and the Company's stockholders ratified the appointment of PricewaterhouseCoopers LLP at the Annual Meeting of Stockholders on September 25, 2008.

Audit Fees

Represents fees for professional services provided in connection with the audit of Celldex's annual audited financial statements and reviews of Celldex's quarterly financial statements, advice on accounting matters directly related to the audit and audit services provided in connection with other statutory or regulatory filings. Fees, including out of pocket expenses, for the fiscal year 2008 audit, including assurance services provided in connection with the assessment and testing of internal controls pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, quarterly reviews of Forms 10-Q during fiscal year 2008 and in connection with the Merger completed in 2008 were $645,913.

Audit-Related Fees

Audit-related fees are for assurance and other activities not explicitly related to the audit of Celldex's financial statements, and consisted principally of fees for consultations concerning financial accounting and reporting standards. There were no audit-related fees billed by PricewaterhouseCoopers LLP for fiscal 2008.

Tax Fees

Tax fees are associated with tax compliance, tax advice, tax planning and tax preparation services. In 2008 and 2007, we engaged another public accounting firm to perform these services.

All Other Fees

Other fees of $1,500 were billed by PricewaterhouseCoopers LLP in fiscal years 2008.

The Audit Committee is responsible for appointing, setting compensation and overseeing the work of the independent auditors. The Audit Committee has established a policy regarding pre-approval of all auditing services and the terms thereof and non-audit services (other than non-audit services prohibited under Section 10A(g) of the Exchange Act or the applicable rules of the SEC or the Public Company Accounting Oversight Board) to be provided to Celldex by the independent auditor. However, the pre-approval requirement may be waived with respect to the provision of non-audit services for Celldex if the "de minimus" provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied.

The Audit Committee has considered whether the provision of Audit-Related Fees, Tax Fees, and all other fees as described above is compatible with maintaining PricewaterhouseCoopers, LLP's independence and has determined that such services for fiscal years 2008, 2007 and 2006 were compatible. All such services were approved by the Audit Committee pursuant to Rule 2-01 of Regulation S-X under the Exchange Act to the extent that rule was applicable.

The Audit Committee is responsible for reviewing and discussing the audit financial statements with management, discussing with the independent registered public accountants the matters required in Auditing Standards No. 61, receiving written disclosures from the independent registered public accountants required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accountants' communications with the Audit Committee concerning independence and discussing with the independent registered public accountants their independence, and recommending to the board of directors that the audit financial statements be included in the company's annual report of Form 10-K.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(A) The following documents are filed as part of this Form 10-K:

(1) Financial Statements:

See "Index to Consolidated Financial Statements" at Item 8.

(2) Financial Statement Schedules:

Schedules are omitted since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements or Notes thereto.

(3) Exhibits:

No.	Description	Page No.
2.1	Agreement and Plan of Merger, dated as of October 19, 2007, by and among AVANT, Celldex Merger Corporation, and Celldex Therapeutics, Inc.	Incorporated by reference to Exhibit 2.1 of AVANT's Registration Statement on Form S-4 (Reg. N. 333-148291), filed December 31, 2007
2.2	Agreement and Plan of Merger, dated as of November 20, 2000, by and among AVANT, AVANT Acquisition Corp., and Megan Health, Inc.	Incorporated by reference to Exhibit 2.1 of AVANT's Current Report on Form 8-K filed December 12, 2000
2.3	First Amendment to Agreement and Plan of Merger, dated as of November 20, 2000, by and among AVANT, AVANT Acquisition Corp., and Megan Health, Inc.	Incorporated by reference to Exhibit 2.2 of AVANT's Current Report on Form 8-K filed December 12, 2000
3.1	Third Restated Certificate of Incorporation of AVANT	Incorporated by reference to Exhibit 3.1 of AVANT's Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998
3.2	Certificate of Amendment of Third Restated Certificate of Incorporation of AVANT	Incorporated by reference to Exhibit 3.1 of AVANT's Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998
3.3	Second Certificate of Amendment of Third Restated Certificate of Incorporation of AVANT	Incorporated by reference to Exhibit 3.2 of AVANT's Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998
3.4	Third Certificate of Amendment of Third Restated Certificate of Incorporation of AVANT	Incorporated by reference to Exhibit 3.1 of AVANT's Quarterly Report on Form 10-Q, filed May 10, 2002
3.5	Amended and Restated By-Laws of AVANT as of March 14, 2007	Filed herewith

No.	Description	Page No.
3.6	Certificate of Elimination of Series C-1 Junior Participating Cumulative Preferred Stock	Incorporated by reference to Exhibit 3.6 of AVANT's Annual Report on Form 10-K, filed March 16, 2005
3.7	Certificate of Designations, Preferences and Rights of a Series of Preferred Stock of AVANT Immunotherapeutics, Inc. classifying and designating the Series C-1 Junior Participating Cumulative Preferred Stock	Incorporated by reference to Exhibit 3.1 of AVANT's Registration Statement on Form 8-A filed November 8, 2004
3.8	Fourth Certificate of Amendment of Third Restated Certificate of Incorporation of AVANT	Incorporated by reference to Exhibit 3.1 of AVANT's Current Report on Form 8-K filed on March 11, 2008
3.9	Fifth Certificate of Amendment of Third Restated Certificate of Incorporation of AVANT	Incorporated by reference to Exhibit 3.2 of AVANT's Current Report on Form 8-K filed on March 11, 2008
4.1	Shareholder Rights Agreement dated November 5, 2004 between AVANT and EquiServe Trust Company, N.A. as Rights Agent	Incorporated by reference to Exhibit 4.1 of AVANT's Registration Statement on Form 8-A filed November 8, 2004
4.2	Amendment No. 1 to Shareholder Rights Agreement dated October 19, 2007 between AVANT and Computershare Trust Company, N.A. (formerly EquiServe Trust Company, N.A.) as Rights Agent	Incorporated by reference to Exhibit 10.1 of AVANT's Registration Statement on Form 8-A/A filed October 22, 2007
4.3	Amendment No. 2 to Shareholder Rights Agreement dated November 5, 2004, between AVANT and Computershare Trust Company, N.A. (formerly EquiServe Trust Company, N.A.), as Rights Agent	Incorporated by reference to Exhibit 10.1 of AVANT's Registration Statement on Form 8-A1G/A filed on March 7, 2008
†10.1	AVANT Immunotherapeutics, Inc. 2004 Employee Stock Purchase Plan	Incorporated by reference to Appendix A to AVANT's Proxy Statement filed on April 19, 2004 pursuant to Section 14 (a) of the Exchange Act
10.2	Performance Plan of AVANT Immunotherapeutics, Inc.	Incorporated by reference to Exhibit 10.5 of AVANT's Annual Report on Form 10-K filed March 28, 2000
†10.3	Form of Agreement relating to Change of Control	Incorporated by reference to Exhibit 10.6 of AVANT's Annual Report on Form 10-K filed March 28, 2000
10.4	Commercial Lease Agreement of May 1, 1996 between AVANT and Fourth Avenue Ventures Limited Partnership	Incorporated by reference to Exhibit 10.11 of AVANT's quarterly report on Form 10-Q/A for the quarterly period ended June 30, 1996 (File No. 0-15006)

No.	Description	Page No.
10.5	Extension of Lease Agreement of May 1, 1997 between AVANT and DIV Needham 53 LLC (successor in interest to Fourth Avenue Ventures Limited Partnership) dated as of August 23, 2001	Incorporated by reference to AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 2001
10.6	Agreement between Lonza Biologics plc and AVANT dated as of April 19, 2000, portions of which are subject to confidential treatment	Incorporated by reference to Exhibit 10.11 of AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 2000
10.7	Stock Purchase Agreement dated December 1, 2000 by and between AVANT and Pfizer Inc	Incorporated by reference to Exhibit 10.12 of AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 2000
10.8	License and Royalty Agreement by and between Pfizer Inc, AVANT and Megan Health, Inc. dated as of December 1, 2000, portions of which are subject to confidential treatment	Incorporated by reference to Exhibit 10.13 of AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 2000
10.9	Amendment to License and Royalty Agreement by and between Pfizer Inc, AVANT and Megan Health, Inc. dated as of December 1, 2000, portions of which are subject to confidential treatment	Incorporated by reference to Exhibit 10.14 of AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 2000
10.10	Collaborative Research and Development Agreement by and between Pfizer Inc. and Megan Health, Inc. dated as of December 1, 2000, portions of which are subject to confidential treatment	Incorporated by reference to Exhibit 10.15 of AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 2000
10.11	License Agreement between Virus Research Institute, Inc. and SmithKline Beecham PLC dated as of December 1, 1997, portions of which are subject to confidential treatment	Incorporated by reference to Exhibit 10.20 of AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 1999
10.12	Amendment Agreement, dated January 9, 2003, between AVANT and SmithKline Beecham PLC	Incorporated by reference to Exhibit 10.21 of AVANT's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002
10.13	License Agreement, dated as of January 31, 2003, by and between AVANT and Elan Drug Delivery Limited	Incorporated by reference to Exhibit 10.22 of AVANT's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002
10.14	License and Clinical Trials Agreement, effective as of February 27, 1995, between Virus Research Institute, Inc. and the James N. Gamble Institute of Medical Research	Incorporated by reference to Exhibit 10.23 of AVANT's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002
10.15	License Agreement, dated as of May 1, 1992, by and between the President and Fellows of Harvard College and Virus Research Institute, Inc.	Incorporated by reference to Exhibit 10.24 of AVANT's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002

No.	Description	Page No.
10.16	Amendment to License Agreement, dated July 23, 1993, by and between the President and Fellows of Harvard College and Virus Research Institute, Inc.	Incorporated by reference to Exhibit 10.25 of AVANT's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002
10.17	Amendment to License Agreement, dated as of August 2, 2000, by and between the President and Fellows of Harvard College and AVANT	Incorporated by reference to Exhibit 10.26 of AVANT's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002
10.18	License Agreement, dated as of November 25, 1988, by and among The Johns Hopkins University, Brigham and Women's Hospital and AVANT f/k/a T Cell Sciences, Inc.	Incorporated by reference to Exhibit 10.28 of AVANT's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002
10.19	Lease Agreement, by and between AVANT and the Massachusetts Development Finance Agency, dated as of December 22, 2003, portions of which are subject to a request for confidential treatment	Incorporated by reference to Exhibit 10.1 of AVANT's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004
10.20	Security Agreement, by and between AVANT and the Massachusetts Development Finance Agency, dated as of December 22, 2003, portions of which are subject to a request for confidential treatment	Incorporated by reference to Exhibit 10.2 of AVANT's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004
10.21	Secured Promissory Note: Equipment Loan, by and between AVANT and the Massachusetts Development Finance Agency, dated as of December 22, 2003, portions of which are subject to a request for confidential treatment	Incorporated by reference to Exhibit 10.3 of AVANT's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004
10.22	Non-Exclusive License Agreement, by and between AVANT and AdProTech Ltd., dated as of March 10, 2004, portions of which are subject to a request for confidential treatment	Incorporated by reference to Exhibit 10.4 of AVANT's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004
10.23	First Amendment to Lease by and between AVANT and DIV Needham 53 LLC dated November 29, 2005	Incorporated by reference to Exhibit 10.40 of AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 2005
10.24	Second Amendment to Lease by and between AVANT and the Massachusetts Development Finance Agency dated as of November 4, 2005	Incorporated by reference to Exhibit 10.41 of AVANT's Annual Report on Form 10-K for the fiscal year ended December 31, 2005
10.25	Amendment Agreement to Purchase Agreement between AVANT and PRF Vaccine Holdings LLC, dated as of March 14, 2006	Incorporated by reference to Exhibit 10.1 of AVANT's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006

No.	Description	Page No.
10.26	Exclusive License Agreement dated February 1, 2003 by and between Thomas Jefferson University ("TJU") and Spliceomix, Inc.; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.1 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
10.27	License Agreement dated as of November 1, 2005 by and between The Rockefeller University and Celldex; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.2 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
10.28	License Agreement dated September 1, 2006 by and between Duke University and Celldex; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.3 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
10.29	Assignment and License Agreement dated April 6, 2004 by and among Medarex, Inc., GenPharm International, Inc., and Celldex., as amended; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.4 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
10.30	Research and Commercialization Agreement dated as of April 6, 2004 by and among Medarex, Inc., Celldex and GenPharm International, Inc., as amended; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.5 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
10.31	Termination Agreement dated December 21, 2005 by and between Corixa Corporation, a wholly owned subsidiary of GlaxoSmithKline and Lorantis Limited, a wholly owned subsidiary of Celldex; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.6 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
10.32	Clinical Trial Research Agreement dated April 5, 2004 by and between Duke University and Medarex, Inc., as amended on November 20, 2006; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.7 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
10.33	Sponsored Research Agreement dated as of May 1, 2004 by and between Duke University and Medarex, Inc.; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.8 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
10.34	Supply Agreement dated August 18, 2006 by and between Celldex and Biosyn; portions of which are subject to confidential treatment.	Incorporated by reference to Exhibit 10.9 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008

No.	Description	Page No.
10.35	Lease Agreement dated as of October 21, 2005 by and between Phillipsburg Associates, L.P. and Celldex.	Incorporated by reference to Exhibit 10.10 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
†10.36	Employment Agreement dated as of May 15, 2006 by and between Celldex Research and Dr. Ronald Newbold.	Incorporated by reference to Exhibit 10.11 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
†10.37	Separation and Mutual Release Agreement dated October 19, 2007 by and between Dr. Robert F. Burns and Celldex.	Incorporated by reference to Exhibit 10.15 of Amendment No. 2 to AVANT's Registration Statement on Form S-4 (Reg. No. 333-148291), filed January 18, 2008
†10.38	AVANT Immunotherapeutics, Inc. 2008 Stock Option and Incentive Plan	Incorporated by reference to Exhibit 10.3 to a Current Report on Form 8-K filed by AVANT on October 22, 2007
10.39	License and Development Agreement dated as of April 16, 2008 between Celldex Therapeutics, Inc., a wholly-owned subsidiary of AVANT, and Pfizer Vaccines, LLC	Incorporated by reference to Exhibit 10.1 to a Current Report on Form 8-K filed by AVANT on May 30, 2008
10.40	Common Stock Purchase Agreement dated as of April 16, 2008 between AVANT and Pfizer Vaccines, LLC	Incorporated by reference to Exhibit 10.1 to a Current Report on Form 8-K filed by AVANT on May 30, 2008
†10.41	Separation and General Release Agreement effective July 16, 2008 by and between the Company and Una S. Ryan	Incorporated by reference to Exhibit 10.1 to a Current Report on Form 8-K filed by AVANT on July 18, 2008
†10.42	Employment Agreement, dated January 6, 2009, by and between Celldex Therapeutics, Inc. and Avery W. Catlin	Incorporated by reference to Exhibit 10.1 to a Current Report on Form 8-K filed by Celldex on January 8, 2009
†10.43	Employment Agreement, dated January 6, 2009, by and between Celldex Therapeutics, Inc. and Thomas Davis, MD	Incorporated by reference to Exhibit 10.2 to a Current Report on Form 8-K filed by Celldex on January 8, 2009
†10.44	Employment Agreement, dated January 6, 2009, by and between Celldex Therapeutics, Inc. and Tibor Keler, Ph.D.	Incorporated by reference to Exhibit 10.3 to a Current Report on Form 8-K filed by Celldex on January 8, 2009
†10.45	Amended and Restated Employment Agreement, dated January 6, 2009, by and between Celldex Therapeutics, Inc. and Anthony S. Marucci.	Incorporated by reference to Exhibit 10.4 to a Current Report on Form 8-K filed by Celldex on January 8, 2009
*10.46	Research Collaboration and Commercialization Agreement effective October 20, 2006 between Celldex and the Ludwig Institute for Cancer Research	Filed herewith

No.	Description	Page No.
*10.47	Vaccine Adjuvant License and Collaboration Agreement dated on May 30, 2008 between Celldex and 3M Innovation Properties Company	Filed herewith
*10.48	Exclusive Patent and Know-How License Agreement dated as of November 5, 2008 between Celldex Research and the University of Southampton	Filed herewith
21.0	List of Subsidiaries	Filed herewith
23.1	Consent of PricewaterhouseCoopers LLP Independent Registered Public Accounting Firm of Celldex Therapeutics, Inc. (formerly known as AVANT Immunotherapeutics, Inc.)	Filed herewith
23.2	Consent of Ernst & Young LLP Independent Registered Public Accounting Firm of Celldex Research Corporation (formerly known as Celldex Therapeutics, Inc.)	Filed herewith
31.1	Certification of President and Chief Executive Officer	Filed herewith
31.2	Certification of Senior Vice President and Chief Financial Officer	Filed herewith
32	Section 1350 Certifications	Furnished herewith

* Confidential treatment has been requested for certain provisions of this Exhibit pursuant to Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended.

† Indicates a management contract or compensation plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

Anthony S. Marucci
President and Chief Executive Officer

Date
February 26, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ANTHONY S. MARUCCI Anthony S. Marucci	President, Chief Executive Officer, and Director	February 26, 2009
/s/ AVERY W. CATLIN Avery W. Catlin	Senior Vice President, Chief Financial Officer and Treasurer	February 26, 2009
/s/ CHARLES R. SCHALLER Charles R. Schaller	Director	February 26, 2009
/s/ HERBERT J. CONRAD. Herbert J. Conrad	Director	February 26, 2009
/s/ LARRY ELLBERGER Larry Ellberger	Director	February 26, 2009
/s/ GEORGE O. ELSTON George O. Elston	Director	February 26, 2009
/s/ KAREN SHOOS LIPTON Karen Shoos Lipton	Director	February 26, 2009
/s/ DR. RAJESH B. PAREKH Dr. Rajesh B. Parekh	Director	February 26, 2009
/s/ HARRY H. PENNER, JR. Harry H. Penner, Jr.	Director	February 26, 2009

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [*], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

RESEARCH COLLABORATION AND COMMERCIALIZATION AGREEMENT

THIS RESEARCH AND COMMERCIALIZATION AGREEMENT (the "Agreement"), effective as of October 20, 2006 (the "Effective Date"), is entered by and between **CELLDEX THERAPEUTICS, INC.**, a New Jersey corporation, with a principal place of business at 222 Cameron Drive, Suite 400, Phillipsburg, New Jersey, NJ 08865, ("Celldex") and the **LUDWIG INSTITUTE FOR CANCER RESEARCH**, a Swiss not-for-profit corporation with a registered office at Stadelhoferstrasse 22, 8001 Zurich, Switzerland, and an office at 605 Third Avenue, 33rd Floor, New York, NY 10158 USA, ("Ludwig").

BACKGROUND

A. Ludwig and its affiliates are own or Control certain intellectual property rights (as defined below) together with all commercialization rights associated with such intellectual property;

B. Celldex wishes to secure a license to such intellectual property rights and to establish an ongoing research collaboration with Ludwig; and

C. Ludwig proposes to grant certain rights to Celldex under the terms of this Agreement and to enter into a research collaboration with Celldex.

NOW THEREFORE, Celldex and Ludwig agree as follows:

1. DEFINITIONS

1.1 **"Affiliate"** shall mean any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another Person. For purposes of this definition only, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" shall mean (a) the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through the ownership of voting securities or by contract relating to voting rights or corporate governance, or (b) the ownership, directly or indirectly, of at least fifty percent (50%) of the voting securities or other ownership interest of a Person; provided that, if local law restricts foreign ownership, control will be established by direct or indirect ownership of the maximum ownership percentage that may, under such local law, be owned by foreign interests. For purposes of this Section 1.1, "Person" shall mean an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.2 **"Approval"** shall mean all approvals, licenses, registrations and authorizations of all governmental agencies in a country necessary for the manufacture, use or sale of a Licensed Product in the applicable country.

1.3 **"Biological License Application"** or **"BLA"** shall mean a Biological License Application as defined in the U.S. Food, Drug and Cosmetics Act and the regulations promulgated thereunder, and any corresponding or equivalent foreign application, registration or certification.

1.4 **"Calendar Quarter"** shall mean each three-month period commencing January 1, April 1, July 1 or October 1 of each year during the term of this Agreement.

1.5 **"Celldex Clinical Reagent(s)"** shall mean reagents utilizing Celldex Patent Rights or Celldex Know-How and Ludwig Patent Rights or Ludwig Know-How and produced by or for Celldex to a clinical grade of GMP quality for use within the Research Program.

1.6 **"Celldex APC Targeting Technology"** shall mean any molecules expressly designed to selectively bind to antigen presenting cells through internalizing cell surface receptors and to carry Ludwig Antigens into these cells for subsequent immune processing which are covered or claimed, or for which the manufacture or use in the Field is covered or claimed, by a Valid Claim of an issued patent or a pending patent application within Celldex Patent Rights.

1.7 **"Celldex Patent Rights"** shall mean all: (i) U.S. patent applications, provisional applications, continuations, continuations-in-part, substitutions and divisionals; (ii) issued U.S. patents, re-examinations, reissues, renewals, extensions and term restorations; and (iii) non-U.S. counterparts of the foregoing applications and patents in (i) and (ii); that are in each case owned or Controlled by Celldex and that claim or cover the composition of matter of, methods of making, or methods of using molecules expressly designed to selectively bind to antigen presenting cells through internalizing cell surface receptors and to carry antigens into these cells for subsequent immune processing; in each case whether such patents or applications are filed before, on or after the date of this Agreement. Celldex Patent Rights existing as of the Effective Date of this Agreement shall be identified in Appendix B. Celldex may propose adding additional patents and applications filed after the Effective Date of this Agreement to Appendix B and Ludwig shall consider this request in good faith and provide its consent subject to Celldex's established right of use and Ludwig being able to extend the rights under this Agreement having established that such consent does not conflict with license rights granted by Ludwig to third parties prior to the Effective Date of this Agreement.

1.8 **"Celldex Know-How**" shall mean all data, information, inventions, discoveries, processes, methods, compositions, formulae, procedures, protocols, techniques, and results of experimentation and testing, including without limitation clinical trial data, whether patentable or not, that are owned or Controlled by Celldex and that relate to composition of matter of, methods of making, or methods of using the Licensed Products.

1.9 **"Celldex Product"** shall mean any product covered by Celldex Know-How or within Celldex Patent Rights.

1.10 **"Collaboration Steering Committee"** shall have the meaning described in Article 2.2.

1.11 **"Commercially Reasonable Efforts"** shall mean, with respect to a Licensed Product, efforts and resources similar to those employed by companies in a similar stage of development as Celldex to develop, manufacture or market a Licensed Product of similar market potential at a similar stage in its Licensed Product life, taking into account for example the establishment of the Licensed Product in the marketplace, the competitiveness of alternative Licensed Products, the likely proprietary position of the Licensed Product, the likelihood of regulatory approval for the Licensed Product, the potential profitability of the Licensed Product and Celldex's resources available. Commercially Reasonable Efforts shall be determined on a market-by-market basis for each Licensed Product.

1.12 **"Confidential Information"** shall mean, subject to the provisions of Article 9 hereof, any information, whether in oral, written, graphic, electronic or tangible form, disclosed by one party to the other hereunder or under any agreement governing the use and disclosure of confidential information entered into by the parties prior to the Effective Date.

1.13 **"Control"** or **"Controlled"** shall mean, with respect to a particular item of information or intellectual property right, (i) that the party owns or co-owns and has the ability to grant to the other party the licenses to such item provided for herein, without violating the terms of any agreement or other arrangement with any third party, and/or (ii) that the party has a license to such item and has the ability to grant to the other party the licenses to such item provided for herein, without violating the terms of any agreement or other arrangement with any third party; in each case whether such rights are acquired before, on or after the date of this Agreement.

1.14 **"Field"** shall mean any and all human and animal healthcare applications including therapy, diagnosis and prognostic monitoring, and prophylaxis.

1.15 **"FDA"** shall mean the U.S. Food and Drug Administration and any successor agency thereto.

1.16 **"First Commercial Sale"** shall mean, with respect to each Licensed Product in each country, the first bona fide commercial sale by Celldex, its Affiliates or Sub-licensees of such Licensed Product following Marketing Approval in such country; provided, however, that where such first commercial sale has occurred in a country for which government pricing or government reimbursement approval is needed for widespread commercial sale (for clarification, the parties acknowledge that no such approval is currently required in the United States), then such sales shall not be deemed a First Commercial Sale until such pricing or reimbursement approval has been obtained.

1.16.1 "**Full Length Antigens**" shall mean the full length protein forms of the Ludwig Antigens **[*]**.

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1.17 **"IND"** shall mean an Investigational New Drug application, as defined in the U.S. Food, Drug and Cosmetics Act and the regulations promulgated thereunder, or any corresponding or equivalent foreign application, registration or certification.

1.18 "**Licensed Product**" will mean any Targeted Antigen Reagent that is covered or claimed, or for which the manufacture or use in the Field is covered or claimed, by a Valid Claim of an issued patent or a pending patent application within Ludwig's Patent Rights and which would be in breach of Ludwig's Patent Rights without a license to such Ludwig Patent Rights under this Agreement.

1.19 **"Ludwig Antigens"** shall mean any antigen in nucleotide, polynucleotide or peptide, polypeptide or full length gene or full length protein form which is covered or claimed, or for which the manufacture or use in the Field is covered or claimed, by a Valid Claim of an issued patent or a pending patent application within Ludwig Patent Rights

1.19.1 "**Ludwig Know-How**" shall mean all data, information, inventions, discoveries, processes, methods, compositions, formulae, procedures, protocols, techniques, and results of experimentation and testing, including without limitation clinical trial data, whether patentable or not, that are owned or Controlled by Ludwig and that relate to composition of matter of, methods of making, or methods of using the Ludwig Antigens

1.20 **"Ludwig Patent Rights"** shall mean all: (i) U.S. patent applications, provisional applications, continuations, continuations-in-part, substitutions and divisionals; (ii) issued U.S. patents, re-examinations, reissues, renewals, extensions and term restorations; and (iii) non-U.S. counterparts of the foregoing applications and patents in (i) and (ii); that are in each case owned or Controlled by Ludwig and that claim or cover the composition of matter of, methods of making, or methods of using Full Length Antigens and Part-Length Antigens listed in Appendix A.

1.21 **"Marketing Approval"** shall mean, with respect to each country of the Territory for a particular Licensed Product, approval of the applicable MAA filed in such country by the health regulatory authority in such country that is the counterpart of the FDA. It is understood that Marketing Approval does not necessarily include pricing or reimbursement approval.

1.22 **"Marketing Approval Application"** or **"MAA"** shall mean, on a Licensed Product-by-Licensed Product basis, a New Drug Application or Biologics License Application as required under the U.S. Food, Drug and Cosmetics Act and the regulations promulgated thereunder, or a comparable filing in a foreign country.

1.23 **"Net Sales"** shall mean, for any period, the gross amount invoiced by the Celldex and its Affiliates and Sublicensees for the sale of Licensed Product(s) to third parties, less deductions for:

(a) normal and customary trade, quantity and cash discounts and sales returns and allowances (other than allowances for doubtful accounts), including (i) those granted on account of price adjustments, billing errors, rejected goods, damaged goods, returns and rebates, (ii) administrative and other fees and

reimbursements and similar payments directly related to the sale or delivery of Licensed Product(s) paid to wholesalers and other distributors, buying groups, pharmacy benefit management organizations, health care insurance carriers and other

institutions, (iii) allowances, rebates and fees directly related to the sale or delivery of Licensed Product(s) paid to distributors and (iv) chargebacks;

(b) freight, postage, shipping and insurance costs to the extent that such items are included in the gross amount invoiced;

(c) customs and excise duties and other duties related to the sales to the extent that such items are included in the gross amount invoiced;

(d) rebates and similar payments made with respect to sales paid for or reimbursed by any governmental or regulatory authority such as, by way of illustration and not in limitation of the parties' rights hereunder, Federal or state Medicaid, Medicare or similar state program or equivalent foreign governmental program;

(e) sales and other taxes and duties directly related to the sale or delivery of Licensed Product(s) (but not including taxes assessed against the income derived from such sale) to the extent that such items are included in the gross amount invoiced;

(f) distribution costs and expenses to the extent that such items are included in the gross amount invoiced; and

(g) any such invoiced amounts that are not collected by the parties or their Affiliates or Sublicensees;

provided, however, that with respect to the deductions specified in subsections (a) through (g) above, an amount shall be deducted only once regardless of how many categories may apply to it.

Any of the deductions listed above that involves a payment by Celldex or its Affiliates or Sub-licensees shall be taken as a deduction in the Calendar Quarter in which the payment is accrued by such entity. Deductions pursuant to subsection (g) above shall be taken in the Calendar Quarter in which such sales are no longer recorded as a receivable. For purposes of determining Net Sales, the Licensed Product(s) shall be deemed to be sold when invoiced and a "sale" shall not include transfers or dispositions for charitable, promotional, pre-clinical, clinical, regulatory or governmental purposes.

For purposes of calculating Net Sales of Licensed Products, sales between or among Celldex or its Affiliates or Sublicensees shall be excluded from the computation of Net Sales, but sales by Celldex or its Affiliates or its Sub-licensees to third parties shall be included in the computation of Net Sales.

In the event that a Licensed Product is sold in any country in the form of a combination Licensed Product containing one or more therapeutically active ingredients with respect thereto, the parties shall negotiate in good faith to determine what portion of the net sales of such combination Licensed Product in such country shall be treated as "Net Sales" under this Agreement, which determination shall be based on the value added by such other therapeutically active ingredients, to the invoice price of such combination Licensed Product.

1.24 **"Non-Exclusive Commercial License"** shall have the meaning set forth in Section 4

1.25 "**Part Length Antigen(s)"** shall mean Polypeptide Sequence forms of the Ludwig Antigens **[*]**.

1.26 **"Phase I Clinical Trial"** shall mean a human clinical trial, the principal purpose of which is a preliminary determination of safety in healthy individuals or patients as required in 21 C.F.R. §312, or a similar clinical study prescribed by the regulatory authorities in a country other than the United States. A Phase I Clinical Trial shall be deemed to have commenced when the first subject in the study has been enrolled.

1.27 "**Polypeptide Sequence**" shall mean a protein sequence of less than 20 amino acids.

1.28 **"Research Program Period"** shall mean the period commencing on the Effective Date and ending on the earlier of (i) the termination of the Research Program pursuant to Section 2.7, the expiration of any extension(s), or (ii) the termination of the Agreement.

1.29 **"Research Program"** shall mean the program of research as defined under Article 2 herein.

1.30 **"Sub-licensee"** shall mean a third party to whom Celldex has granted a license or sublicense, as the case may be, pursuant to Section 4.3, to develop, make, have made, import, use, sell, offer for sale or otherwise exploit Licensed Products

1.31 "**Targeted Antigen Reagent**" shall mean any protein construct which contains Full Length Antigen(s) and/or Part Length Antigen(s) in whole or in part combined either through chemical conjugation or genetic fusion with Celldex APC Targeting Technology and any fragments or derivatives of any such construct.

1.32 **"Territory"** shall mean all countries of the world.

1.33 "**Valid Claim"** shall mean a claim of an unexpired patent or pending patent application which shall not have been withdrawn, canceled, or disclaimed, nor held invalid or unenforceable by a court of competent jurisdiction or a regulatory agency with relevant authority in any unappealed or unappealable decision in the relevant country

2. RESEARCH PROGRAM

2.1 **Research Program.** Celldex and Ludwig agree to enter into a research collaboration in which Celldex will provide certain research reagents to Ludwig for Ludwig to incorporate into its preclinical and clinical research programs in cancer immunotherapy.

2.2 **Management of Research Program.** Celldex and Ludwig will appoint a Collaboration Steering Committee ("CSC") comprising two representatives of Celldex and two representatives of Ludwig to meet no less than twice yearly and to perform the following tasks: (a) agree the specific goals and objectives of the Research Program, and (b) review and report on Research Program progress. Decisions of the CSC will require majority agreement for

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implementation. In the event that the CSC fails to reach agreement on the goals and objectives of the Research Program, Celldex and Ludwig executives will meet to resolve such matters.

2.3 **Reagents for the Research Program.** Celldex agrees to make available to Ludwig for use within the Research Program reagents incorporating Ludwig Patent Rights and Ludwig Know-How which Celldex generates or has generated using the Ludwig Patent Rights and Ludwig Know-How licensed under the terms of this agreement.

2.4 **Reagents for Clinical Use in the Research Program.** Celldex agrees to make available to Ludwig without charge for use within the Research Program Celldex Clinical Reagents once they are produced by Celldex and under a Celldex IND provided that Celldex is not required to provide funding to Ludwig to support the use of such Celldex Clinical Reagents by Ludwig. Such provision of Celldex Clinical Reagents to Ludwig is not intended to release Celldex from its obligations of diligence under Article 8 herein. Ludwig shall not be obligated to undertake clinical trials of such Celldex Clinical Reagents if Ludwig's resources or funding available to Ludwig for such clinical trials is deemed by Ludwig to be insufficient for such purpose.

2.5 **Data arising from the Research Program.** Celldex and Ludwig agree to share data and findings arising from the Research Program through reports prepared for and reviewed by the CSC. Celldex hereby agrees that Ludwig shall have the right to reference the Celldex IND pursuant to the Research Program.

2.6 **Term of the Research Program.** Celldex and Ludwig agree that the Research Program will run for a **[*]** from the Effective Date and subject to the agreement of the Parties will extended annually thereafter by agreement of the CSC.

2.7 **Termination of the Research Program.** Either Party may terminate the Research Program after **[*]**.

3. RESEARCH LICENSES

3.1 **Research Licenses to Ludwig for Each Targeted Antigen Reagent.** Celldex hereby grants to Ludwig a non-exclusive, non-sublicenseable, non-transferable license under the Celldex Patent Rights and Celldex Know-How during the Research Program Period to conduct pre-clinical research pursuant to the Research Program using Targeted Antigen Reagent(s).

3.2 **Research Licenses to Ludwig for Each Celldex Clinical Reagent.** Celldex hereby grants to Ludwig a non-exclusive, non-sublicenseable, non-transferable license under the Celldex Patent Rights and Celldex Know-How during the Research Term to conduct clinical research pursuant to the Research Program using Celldex Clinical Reagent(s).

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3.3 **Research License Period.**

Initial Research License Period. The Initial Research License Period for a particular Targeted Antigen Reagent or Celldex Clinical Reagent shall commence on the date that CSC agrees to initiate research on either a Targeted Antigen Reagent or Celldex Clinical Reagent within the Research Program and shall expire **[*]**.

Extension of Research License Period. The Research License Period can be extended on a case-by-case basis with the agreement of the CSC only and a maximum of up to **[*]**.

3.4 **Termination of Specific Research License.** Celldex may terminate the Research License for any Targeted Antigen Reagent or Celldex Clinical Reagent at any time by giving written notice to Ludwig provided that any clinical trials already underway by Ludwig which have been initiated as part of the Research Program are allowed to reach final patient recruitment and treatment.

4. OPTIONS; COMMERCIAL LICENSES

4.1 **Non-Exclusive Commercial License to Celldex.** Ludwig hereby agrees to grant to Celldex a Non-exclusive, worldwide license, with rights to grant sub-licenses, under Ludwig Patent Rights and Ludwig Know-How to research, develop, make, have made, use, import, offer for sale, sell and have sold Licensed Products in the Field. For the avoidance of doubt no right or license is granted by Ludwig to Celldex under Ludwig Patent Rights and Ludwig Know-How to research, develop, make, have made, use, import, offer for sale, sell and have sold Full Length Antigen or Part Length Antigen except as part of a Targeted Antigen Reagent incorporated in a Licensed Product.

4.2 **Termination of Non-Exclusive Commercial License.** If Celldex elects not to pursue the development of a given Ludwig Antigen as part of a Licensed Product, it may identify such Ludwig Antigen to Ludwig and thereafter payment as defined under Article 5 hereunder shall cease for such Ludwig Antigen. All Celldex rights to such Ludwig Antigen will cease thereafter.

4.3 **Sublicenses.** Celldex may grant sublicenses under the Ludwig Patent Rights and Ludwig Know-How to the extent necessary to develop, make, have made, import, use, offer for sale and sell Licensed Products. Each sublicense granted by Celldex shall be consistent with all the terms and conditions of this Agreement, and subordinate thereto, and Celldex shall remain responsible to Ludwig for the compliance of each such Sub-licensee with the financial and other obligations due under this Agreement. Following execution of any such sublicense Celldex shall inform Ludwig of the name of the sublicensee and terms of the granted sublicense. Celldex shall not grant any sublicense under this clause 4 to any third party associated with the manufacture and sale of tobacco related products.

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Research Rights. Ludwig on behalf of itself and the Cornell Research Foundation ("CRFI"), Cornell University, the Memorial Sloan Kettering Cancer Center ("MSKCC"), the University of Oxford ("UO"), and the Academisch Ziekenhuis Leiden ("AZL") retain an irrevocable, nonexclusive, and nontransferable right to practice for their own educational and research purposes, the inventions claimed under Ludwig Patent Rights and Ludwig Know-how.

5. CONSIDERATION

5.1 **Non-Exclusive Commercial License Fees.** Within thirty (30) days following the Effective Date of this Agreement Celldex hereby agrees to pay Ludwig an annual license fee of US Dollars $7,500 for each Full Length Antigen and an annual license fee of US Dollars $2,500 for each Part Length Antigen until said Full Length Antigen or Part Length Antigen enters the earlier of a Celldex sponsored randomized Phase II or Phase III clinical trial as part of a Targeted Antigen Reagent at which point such annual license fee for said Full Length Antigen or Part Length Antigen shall terminate.

5.2 **Milestone Payments.**

5.2.1 **Milestones.** Within thirty (30) days following the approval of the first BLA, or equivalent, on a Licensed Product and on a Targeted Antigen Reagent by Targeted Antigen Reagent basis, with respect to each Targeted Antigen Reagent subject to a Non-Exclusive Commercial License, Celldex shall pay to Ludwig **[*]**.

5.2.2 **Subsequent Licensed Products.** Once a milestone payment has been made as defined under Section 5.5.1 on a first Targeted Antigen Reagent no further Milestone Payment shall be due on a subsequent Licensed Product containing such Targeted Antigen Reagent. For the avoidance of doubt, this would include combination Licensed Products wherein a previously paid milestone on a Targeted Antigen Reagent would not incur additional milestone payment; however, incorporation of Targeted Antigen Reagent(s) for which a milestone had not been previously been paid would be subject to this first milestone payment under Section 5.2.1. This will ensure that each Ludwig Antigen will be eligible for a single milestone payment under Section 5.2.1.

5.2.3 **Reports.** Except as set forth in Section 8.4, within fifteen (15) days of the occurrence of any event which would trigger a milestone payment according to this Section 5.2, Celldex shall provide notice to Ludwig of such occurrence.

5.3 **Sublicense Payments**

Celldex agrees to pay Ludwig **[*]** of all fees received as part of a sub-license of Celldex's rights under Article 4 excepting fees received in the form of equity investments in Celldex, or fees received in return for research and development costs incurred or services provided by Celldex to such sub-licensee.

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5.4 **Royalties.**

5.4.1 **Royalty on Net Sales.** In partial consideration for any Non-Exclusive Commercial License granted by Ludwig, Celldex shall pay to Ludwig a **[*]** royalty on annual worldwide Net Sales of Licensed Product on a country-by-country basis.

5.4.2 **Royalty Term.** The royalties due pursuant to this Section 5.4 shall be payable on a country-by-country basis until the date which is the expiration of the last to expire of the patents within the Ludwig Patent Rights covering the Licensed Product in such country (such expiration to occur only after expiration of extensions of any nature to such patents which may be obtained under applicable statutes or regulations in the respective countries of the Territory, such as the Drug Price Competition and Patent Term Restoration Act of 1984 in the U.S.A. and similar patent extension laws in other countries),.

5.4.3 **Third Party Royalties.** In the event Celldex needs to acquire a license to any third party's intellectual property relating directly to Ludwig Antigens without which Celldex would be unable to develop or commercialize the Full length Antigens or Part Length Antigens as part of a Licensed Product, then Celldex would be able to offset the royalties and fees it pays to such third party against the royalty owed to Ludwig, up to a maximum offset of **[*]** of the amount otherwise owed to Ludwig.

5.4.4 **Royalties to Celldex on Reversion of Rights**. In the event that rights to a Licensed Product revert to Ludwig for any reason whatever, the Parties agree to negotiate in good faith the terms of royalty and milestone payments to Celldex in recognition of the investment made by Celldex and Ludwig in such Licensed Product**.**

6. PAYMENTS

6.1 **Timing of Royalty Payments.** All royalties due to Ludwig shall be paid within thirty (30) days after the last day of the Calendar Quarter in which they accrue.

6.2 **Payment Method.** All cash amounts due Ludwig hereunder shall be paid in U.S. dollars by wire transfer in immediately available funds to an account designated by Ludwig.

6.3 **Currency; Foreign Payments.** If any currency conversion shall be required in connection with the payment of any royalties hereunder, such conversion shall be made by using the exchange rate for the purchase of U.S. dollars reported by the Chase Manhattan Bank on the last business day of the Calendar Quarter to which such royalty payments relate. If at any time legal restrictions prevent the prompt remittance of any royalties owed on Net Sales in any jurisdiction, Celldex may notify Ludwig and make such payments by depositing the amount thereof in local currency in a bank account or other depository in such country in the name of Ludwig, and Celldex shall have no further obligations under this Agreement with respect thereto.

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6.4 **Taxes.** All royalty amounts required to be paid to Ludwig pursuant to this Agreement may be paid with deduction for withholding for or on account of any taxes (other than taxes imposed on or measured by net income) or similar governmental charge imposed by a jurisdiction other than the United States ("Withholding Taxes"). At Ludwig's request, Celldex shall provide Ludwig a certificate evidencing payment of any Withholding Taxes hereunder and shall reasonably assist Ludwig to obtain the benefit of any applicable tax treaty.

7. REPORTS AND RECORDS

7.1 **Royalty Reports.** Celldex shall deliver to Ludwig within thirty (30) days after the last day of each Calendar Quarter in which Licensed Products are sold a report setting forth in reasonable detail the calculation of the royalties payable to Ludwig for such Calendar Quarter identifying, by country and Licensed Product, the Licensed Products sold by Celldex and its Affiliates and Sub-licensees, and the calculation of Net Sales and royalties due to Ludwig.

7.2 **Inspection of Books and Records.** Celldex and its Affiliates and Sub-licensees shall maintain accurate books and records, which enable the calculation of milestone payments and royalties payable hereunder to be verified. Celldex and its Affiliates and Sub-licensees shall retain the books and records for each quarterly period for five (5) years the submission of the corresponding report under Section 7.1 hereof. Upon thirty (30) days prior notice to Celldex, independent accountants selected by Ludwig and reasonably acceptable to Celldex, may have access to the books and records of Celldex and its Affiliates and Sub-licensees during normal business hours to conduct a review or audit, solely, however, to the extent necessary for the purpose of verifying the accuracy of Celldex's payments and compliance with this Agreement. Celldex shall promptly pay to Ludwig any underpayment with interest from the date such amount(s) were due, at the prime rate reported by the Chase Manhattan Bank, New York, New York, plus two percent (2%). Any such inspection or audit shall be at Ludwig's expense; provided, however, in the event an inspection reveals underpayment of five percent (5%) or more in any audit period, in addition to any underpayment Celldex also shall pay the costs of the inspection.

8. DILIGENCE

8.1 **Reasonable Efforts.** Celldex shall use Commercially Reasonable Efforts to (i) achieve regulatory approvals for the sale of Licensed Products throughout the Territory by submitting registration packages requesting approval for commercial sale of the Licensed Product as soon as reasonably practicable and (ii) actively pursue commercial sales of each Licensed Product in each country in which all necessary regulatory approvals are obtained. Commencing as of the Effective Date, Celldex shall use Commercially Reasonable Efforts to develop, clinically test, manufacture and commercialize Licensed Products. All costs of development, clinical testing, manufacturing and commercialization shall be borne by Celldex, its Affiliates or Sublicensees save for those costs incurred by Ludwig pursuant to Section 3.2.

8.2 **Lack of Diligence.** Ludwig may terminate the Non-Exclusive Commercial License granted herein to Celldex with respect to a particular Licensed Product, on a Licensed Product-by-Licensed Product and country-by-country basis, effective upon written notice to Celldex, if Celldex:

8.2.1 abandons development and/or commercialization of the applicable Licensed Product in that particular country and (i) decides not to engage in efforts to sublicense such Licensed Product or (ii) discontinues reasonable sublicensing efforts for more than one (1) year, or

8.2.2 suspends the development and/or commercialization of the applicable Licensed Product in a particular country for more than one (1) year, except for suspensions (i) that have been requested by official regulatory and safety bodies, or (ii) that Ludwig agrees are necessary for investigating and clarifying untoward pharmacological, pharmacokinetic, toxicological, or human-clinical observations of the applicable Licensed Product.

8.3 **Diligence Obligations.** The parties agree that the following diligence obligations shall apply to Celldex's development and commercialization efforts with regard to a Licensed Product:

8.3.1 Celldex agrees that **[*]**.

8.3.2 If upon the second anniversary of the date that **[*]**.

8.3.3 If upon the **[*]**.

8.4 **Reports to Ludwig.** During the term of this Agreement, Celldex shall keep Ludwig informed of its development and commercialization activities subject to this Agreement, and on February 28th of each year shall provide Ludwig with a reasonably detailed written summary of such events and activities in the preceding year. When the registration package requesting Approval for commercial sale of any Licensed Product receives Approval in the United States of America, any country in Europe, or Japan, Celldex will notify Ludwig in writing within ten (10) business days thereof.

8.5 **Regulatory Filings**. Celldex (or its designee) shall file and hold title to all regulatory applications, Approvals and supplements thereto relating to Licensed Products; provided, in the event that the Non-Exclusive Commercial License rights of Celldex terminate with regard to any Licensed Product and/or country due to Celldex's decision to terminate its license pursuant to Section 4.1.2 or pursuant to Sections 8.2, 8.3, 8.6 or 13, Ludwig (or its designee) shall have access to and the right to reference, without charge, all such regulatory applications, Approvals and supplements with regard to the applicable Licensed Product and/or country, and Celldex shall cooperate with Ludwig to enable Ludwig (or its designee) to practice the foregoing rights. Ludwig shall reimburse Celldex for any reasonable fees actually incurred by Celldex and that are charged by a governmental authority that are necessary to effect Ludwig's right to reference all such regulatory applications, Approvals and supplements with regard to the applicable Licensed Product and/or country pursuant to this Section 8.5. Such rights to Ludwig described in this Section 8.5 shall be subject to the provisions of Article 9.

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8.6 **Abandoned Licensed Products.** Celldex shall promptly notify Ludwig should it elect to abandon its rights to pursue commercialization of any Licensed Product in any country. In such event, the terms of Section 4.2 shall apply with respect to such Licensed Product in such country and the Non-Exclusive Commercial License therefor.

9. CONFIDENTIALITY

9.1 **Confidential Information.** Except as expressly provided herein, the parties agree that for the term of the Agreement and for five (5) years thereafter, the receiving party shall keep completely confidential and shall not publish or otherwise disclose and shall not use for any purpose except for the purposes contemplated by this Agreement any Confidential Information of the other party, except to the extent that it can be established by the receiving party by competent proof that such Confidential Information:

was already known to the receiving party, other than under an obligation of confidentiality, at the time of disclosure;

was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving party;

became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving party in breach of this Agreement;

was independently developed by the receiving party as demonstrated by documented evidence prepared contemporaneously with such independent development; or

was subsequently lawfully disclosed to the receiving party by a person other than a party hereto.

9.2 **Permitted Use and Disclosures.** Each party hereto may use or disclose information disclosed to it by the other party to the extent such use or disclosure is reasonably necessary in complying with applicable governmental regulations or otherwise submitting information to tax or other governmental authorities, conducting clinical trials, or making a permitted sublicense or otherwise exercising its rights hereunder, provided that if a party is required to make any such disclosure of another party's confidential information, other than pursuant to a confidentiality agreement, it shall (i) give reasonable advance notice to the latter party of such disclosure, (ii) if such advance notice is not possible, provide notice of such disclosure immediately thereafter, (iii) to the extent possible, minimize the extend of such disclosure, and (iv) save to the extent inappropriate in the case of patent applications, use its best efforts to secure confidential treatment of such information prior to its disclosure (whether through protective orders or otherwise), it being understood that any information so disclosed shall otherwise remain subject to the limitations on use and disclosure hereunder.

9.3 **Public Disclosure.** Except as otherwise required by law, rule or regulation, neither party shall issue a press release or make any other public disclosure of the terms of this Agreement without the prior approval of the other party of such press release or public disclosure

and the content thereof; provided, however, the parties agree that disclosures of information for which consent has been previously obtained and of information of a similar nature to that which has been previously disclosed publicly with respect to this Agreement, each shall not require advance approval. Each party shall submit any such press release or public disclosure requiring the other party's approval to the other party, and the receiving party shall have three (3) business days to review and approve any such press release or public disclosure, which approval shall not be unreasonably withheld. If the receiving party does not respond in writing within such three (3) business day period, the press release or public disclosure shall be deemed approved. In addition, if a public disclosure is required by law, rule or regulation, including without limitation in a filing with the Securities and Exchange Commission other than a filing on a Form 10Q, the disclosing party shall provide copies of the disclosure reasonably in advance of such filing or other disclosure for the non-disclosing party's prior review and comment.

9.4 **Confidential Terms.** Except as expressly provided herein, each party agrees not to disclose any terms of this Agreement to any third party without the consent of the other party; except that such consent shall not be required for disclosure to actual or prospective investors or to a party's accountants, attorneys and other professional advisors. In addition, the terms of this Agreement may be disclosed pursuant to confidentiality obligations at least as strict as is set forth herein, to sublicensees and actual or potential acquirors or acquirees.

9.5 **Program Information.** Ludwig agrees to maintain in confidence and not to use for any purpose, without the prior written consent of Celldex, other than provided for in this Agreement, any data, results, plans or information generated by Ludwig in the course of the Research Program that relates to Targeted Antigen Reagent or Celldex Clinical Reagent ("Celldex Program Information"). Celldex Program Information shall be deemed to be the Confidential Information of Celldex as governed by the terms of this Article 9.

10. REPRESENTATIONS AND WARRANTIES

10.1 **Ludwig.** Ludwig represents and warrants that the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Ludwig; and it has not entered into and will not enter into an agreement that is inconsistent with the rights and licenses granted to Celldex in this Agreement.

10.2 **Celldex.** Celldex represents and warrants that: (i) it is a company duly organized, validly existing and in good standing under the laws of New Jersey; (ii) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Celldex; and (iii) it has not entered into and will not enter into an agreement that is inconsistent with the performance of its obligations hereunder.

10.3 **Disclaimer of Warranties.** TARGETED ANTIGEN REAGENTS AND CELLDEX CLINICAL REAGENTS ARE PROVIDED TO LUDWIG "AS IS", AND EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, CELLDEX MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OR CONDITIONS OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE TARGETED ANTIGEN REAGENTS OR CELLDEX TECHNOLOGY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF THE PATENT RIGHTS LICENSED HEREUNDER, OR NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

10.4 **Disclaimer.** EXCEPT AS OTHERWISE PROVIDED HEREIN, NOTHING IN THIS AGREEMENT IS OR SHALL BE CONSTRUED AS:

10.4.1 A WARRANTY OR REPRESENTATION BY LUDWIG AS TO THE VALIDITY OR SCOPE OF ANY CLAIM OR PATENT WITHIN THE LUDWIG PATENT RIGHTS;

10.4.2 A WARRANTY OR REPRESENTATION THAT ANYTHING MADE, USED, SOLD OR OTHERWISE DISPOSED OF UNDER ANY LICENSE GRANTED IN THIS AGREEMENT IS OR WILL BE FREE FROM INFRINGEMENT OF ANY PATENT RIGHTS OR OTHER INTELLECTUAL PROPERTY RIGHT OF ANY THIRD PARTY;

10.4.3 AN OBLIGATION TO BRING OR PROSECUTE ACTIONS OR SUITS AGAINST THIRD PARTIES FOR INFRINGEMENT OF ANY OF THE LUDWIG PATENT RIGHTS; OR

10.4.4 GRANTING BY IMPLICATION, ESTOPPEL, OR OTHERWISE ANY LICENSES OR RIGHTS UNDER PATENTS OR OTHER RIGHTS OF LUDWIG OR THIRD PARTIES, REGARDLESS OF WHETHER SUCH PATENTS OR OTHER RIGHTS ARE DOMINANT OR SUBORDINATE TO ANY PATENT WITHIN THE LUDWIG PATENT RIGHTS.

10.5 **Limitation of Liability.** LUDWIG'S LIABILITY ARISING OUT OF THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE VALUE OF THE CONSIDERATION RECEIVED BY LUDWIG FROM CELLDEX UNDER THIS AGREEMENT. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY ARISING OUT OF THIS AGREEMENT, AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THESE LIMITATIONS SHALL APPLY NOT WITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN.

11. INTELLECTUAL PROPERTY; OWNERSHIP OF MATERIALS

11.1 **Inventorship.** Subject to the terms of this Article 11, inventorship of any inventions arising out of the Research Program shall be determined according to U.S. law. Ludwig agrees to license to Celldex its interest in any invention or other intellectual property made by Ludwig or its respective employees, consultants or agents in the course of activities in connection with the Research Program that relates to the Targeted Antigen Reagents or Celldex Clinical Reagents provided by Celldex. In consideration of the provision of this license referenced in this Section 11.1 above, such inventions and patent applications or patents corresponding to such inventions shall be considered as Ludwig Patent Rights pursuant to Section 5.

11.2 **Patent Filings.** Ludwig hereby covenants that neither Ludwig nor its Affiliates nor their respective employees, consultants or agents shall file any patent applications disclosing or claiming inventions made using Targeted Antigen Reagents or Celldex Clinical Reagents, or the making or using thereof, without Celldex's prior written consent and without agreement

between the parties as to how commercialization rights related to any such inventions shall be apportioned between the parties. In the event Ludwig breaches this covenant, in addition to any other remedies Celldex may have, Ludwig shall (i) license to Celldex its interest to all patent applications and patents issuing thereon, and (ii) execute those documents, as requested by Celldex, necessary to document and/or perfect the licensing of such patent applications and patents issuing thereon.

11.3 **Patent Prosecution.**

11.3.1 **Celldex Patent Rights.** Celldex shall be solely responsible, at its expense and in its sole discretion, for the preparation, filing, prosecution and maintenance of the patent applications and patents owned by or on behalf of Celldex relating to Targeted Antigen Reagents or Celldex Clinical Reagents in countries selected by Celldex, and for conducting any interferences, reexaminations, reissues, oppositions, or request for patent term extension relating thereto.

11.3.2 **Ludwig Patent Rights.** Ludwig shall be responsible, at its expense and in its sole discretion, for the preparation, filing, prosecution and maintenance of the Ludwig Patent Rights and for conducting any interferences, reexaminations, reissues, oppositions, or request for patent term extensions relating thereto.

11.4 **Infringement Claims.** If the manufacture, importation, sale or use of a Licensed Product pursuant to this Agreement results in any claim, suit or proceeding alleging patent infringement against Ludwig or Celldex, such party shall promptly notify the other party hereto. The defendant shall keep each other party hereto reasonably informed of all material developments in connection with any such claim, suit or proceeding.

12. INDEMNIFICATION

12.1 **Ludwig.** Ludwig shall indemnify, defend and hold harmless Celldex and its directors, officers and employees (each an "Celldex Indemnitee") from and against any and all liabilities, damages, losses, costs or expenses (including attorneys' and professional fees and other expenses of litigation and/or arbitration) ("Liabilities") resulting from a claim, suit or proceeding made or brought by a third party against an Celldex Indemnitee arising from or occurring as a result of any breach of the representations and warranties set forth in Section 10.1, except to the extent caused by the negligence or willful misconduct of Celldex.

12.2 **Celldex.** Celldex shall indemnify, defend and hold harmless each of Ludwig, Cornell Research Foundation Inc ("CRFI"), Memorial Sloan Kettering Cancer Center ("MSKCC"), University of Oxford ("UO") Academish Ziekenhuis Leiden ("AZL"), and their trustees, officers, agents and employees and those of Cornell University (each an "Indemnitee") from and against any and all liabilities, damages, losses costs or expenses including reasonable attorney's and professional fees and other reasonable expenses of litigation and/or arbitration (collectively a "liability") resulting from a successful claim, suit or proceeding made or brought by a Third Party against an Indemnitee which is finally decided by a court of competent jurisdiction in a final non-appealable decision, arising or occurring as a result of (i) any breach of the warranties by Celldex set forth in this Agreement; (ii) any development, testing, manufacture, importation, use, offer for sale, sale or other distribution of any Licensed Product by Celldex or its Affiliates, agents or sublicensee (including without limitation, product liability claims); or (iii)

the practice by Celldex of any right granted herein, except, (I) with respect to Ludwig, CRFI, MSKCC, UO or AZL, to the extent that the claim in respect of which indemnity is sought results from the negligence or willful misconduct of Ludwig, CRFI, MSKCC, UO or AZL and except, (II) with respect to Ludwig, to the extent that the claim in respect of which indemnity is sought results from (a) any breach by Ludwig of its warranties in Section 9; or (b) any breach by Ludwig of any other term or condition of this Agreement, and provided that, in all cases, (A) Ludwig notifies Celldex in writing promptly after it becomes aware of such claim; (B) Ludwig makes no admissions or prejudicial statements in respect of such claim and incurs no costs without Celldex prior written authorization and procures that no indemnitee Indemnitee makes any such admission or prejudicial statement nor incurs any such costs; (C) Ludwig allows Celldex, at its expense, to take over conduct of the claim; and (D) Ludwig provides to Celldex all reasonable assistance and information relating to the claim and complies with all reasonable instructions relating to the claim given by Celldex.

13. TERM AND TERMINATION

13.1 **Term.** The term of this Agreement shall commence on the Effective Date. Unless earlier terminated as provided in Article 8 and this Article 13, this Agreement shall continue in full force and effect on a country-by-country and Licensed Product-by-Licensed Product basis until there are no remaining royalty payment obligations in a country, at which time the Agreement shall expire in its entirety in such country. Upon such expiration and following the completion of the payment of all royalties due with respect to a particular Licensed Product in such country, Celldex shall have a fully paid, royalty-free, perpetual license under the Ludwig Patent Rights and Ludwig Know How to commercialize such Licensed Product in such country.

13.2 **Termination for Cause.** In the event one party has materially breached in the performance of any of its obligations hereunder, and such breach has continued for sixty (60) days after written notice thereof was provided to the breaching by the non-breaching, the other party may terminate this Agreement. Any termination shall become effective at the end of such sixty (60) day period unless the breaching party has cured any such breach prior to the expiration of the sixty (60) day period. Notwithstanding the above, in the case of a failure to timely pay any amounts due hereunder, the period for cure of any subsequent breach following notice thereof shall be thirty (30) days and, unless payment is made within such period the termination shall become effective at the end of such period. Further, if such uncured material breach involves only a specific Licensed Product, then the Agreement shall terminate only as to the rights relating to such Licensed Product.

13.3 **Termination for Insolvency.** If voluntary or involuntary proceedings by or against a party are instituted in bankruptcy under any insolvency law, or a receiver or custodian is appointed for such party, or proceedings are instituted by or against such party for corporate reorganization or the dissolution of such party, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing, or if such party makes an assignment for the benefit of creditors, or substantially all of the assets of such party are seized or attached and not released within sixty (60) days thereafter, the other party may immediately terminate this Agreement effective upon notice of such termination.

13.4 **Effect of Termination or Expiration.**

13.4.1 **Accrued Rights and Obligations.** Termination or expiration of this Agreement for any reason shall not release either party hereto from any liability which, at the time of such termination or expiration, has already accrued to the other party or which is attributable to a period prior to such termination or expiration or preclude either party from pursuing any rights and remedies it may have hereunder or at law or in equity with respect to any breach of, or default under, this Agreement. It is understood and agreed that monetary damages may not be a sufficient remedy for any breach of this Agreement and that the non-breaching party may be entitled to injunctive relief as a partial remedy for any such breach.

13.4.2 **Return of Confidential Information.** Upon any termination or expiration of this Agreement, Celldex and Ludwig shall promptly return to the other party all Confidential Information of the other; provided, however, that counsel of each party may retain one (1) copy of such Confidential Information for archival purposes and for ensuring compliance with Article 9.

13.4.3 **Inventory on Hand.** In the event this Agreement is terminated for any reason, Celldex and its Sublicensees shall have the right to sell or otherwise dispose of the inventory of any Licensed Product subject to this Agreement then on hand until the first anniversary of the effective date of such termination, any such sale or distribution to be subject to the relevant terms of this Agreement, including without limitation Articles 5, 6 and 7

13.4.4 **Licenses.** Except for expiration under Section 13.1, the license(s) granted Celldex in this Agreement shall terminate upon any termination of this Agreement and in such event Celldex shall cease, and cause its Affiliates and Sublicensees to cease, all development and commercialization of Licensed Products. Any assignment to Ludwig pursuant to Sections 2.4, and 11.1 shall remain in effect following any termination of this Agreement.

13.5 **Survival.** Sections 2.6, 7.2, 10.3, 10.4, 11.1, 11.2, 11.3, 11.4, 13.4 and 13.5, and Articles 9 and 12 of this Agreement shall survive expiration or termination of this Agreement for any reason, except that Article 12 shall survive only with respect to liabilities that arise from acts or circumstances that occurred prior to termination or expiration. Section 13.1 of this Agreement shall survive expiration of this Agreement.

14. MISCELLANEOUS

14.1 **Governing Law.** This Agreement and any dispute arising from the performance or breach hereof shall be governed by and construed and enforced in accordance with the laws of the state of New Jersey, without reference to conflicts of laws principles. Any claim or controversy arising out of or related to this Agreement or any breach hereof shall be submitted to a court of applicable jurisdiction in the State of New Jersey, and each party hereby consents to the jurisdiction and venue of such court.

14.2 **Independent Contractors.** The relationship of the parties hereto is that of independent contractors. The parties hereto are not deemed to be agents, partners or joint venturers of the others for any purpose as a result of this Agreement or the transactions contemplated thereby.

14.3 **Assignment.** Neither party may assign this Agreement to any third party without the written consent of the other party, which consent shall not be unreasonably withheld;

provided, however, that either party may assign this Agreement, without the other party's consent (a) to its Affiliates, and (b) to an entity that acquires all or substantially all of the business or assets of the assigning party to which this Agreement pertains, whether by merger, reorganization, acquisition, sale or otherwise.

14.4 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

14.5 **Notices.** All notices, requests and other communications hereunder shall be in writing and shall be personally delivered or sent by facsimile transmission or by registered or certified mail, return receipt requested, postage prepaid, in each case to the respective address specified below, or such other address as may be specified in writing to the other parties hereto. Any such notice shall be deemed to have been given as of the day of personal delivery, one (1) day after the date sent by facsimile transmission or five (5) days following the date deposited with the United States Postal Service as registered or certified mail, return receipt requested.

If to Ludwig:	Ludwig Institute for Cancer Research 650 Third Avenue (33rd Fl) New York, NY 10158 U.S.A. Attn: President Fax No.: (212) 450-1555
With a copy to:	Ludwig Institute for Cancer Research 650 Third Avenue (33rd Fl) New York, NY 10158 U.S.A. Attn: Executive Director for Intellectual Property Fax No.: (212) 450-1555
If to Celldex:	Celldex Therapeutics Inc 222 Cameron Drive Suite 400 Phillipsburg New Jersey NJ 08865 Attn: Chief Executive Officer Fax No.: (908) 454-1911
With a copy to:	Celldex Therapeutics Inc 222 Cameron Drive Suite 400 Phillipsburg New Jersey NJ 08865 Attn: Chief Financial Officer Fax No.: (908) 454-1911

14.6 **Force Majeure.** Neither party shall lose any rights hereunder or be liable to the other party for damages or losses (except for payment obligations) on account of failure by the non-performing party where the cause of such failure is (i) beyond the reasonable control of such non-performing

party, such causes including without limitation war, strike, fire, acts of gods, earthquake, flood, lockout, embargo, governmental acts or orders or restrictions, or failure of suppliers, (ii) not caused by the negligence, intentional conduct or misconduct of such non-performing party, and (ii) such non-performing party has exerted all reasonable efforts to avoid or remedy such force majeure; provided, however, that in no event shall a party be required to settle any labor dispute or disturbance.

14.7 **Advice of Counsel.** Ludwig and Celldex have each consulted counsel of their choice regarding this Agreement, and each acknowledges and agrees that this Agreement shall not be deemed to have been drafted by one party or another and shall be construed accordingly.

14.8 **Compliance with Laws.** Subject to the provisions of Article 9, each party shall use reasonable efforts to furnish to the other party any information reasonably requested or required by that party during the term of this Agreement or any extensions hereof to enable that party to comply with the requirements of any U.S. or foreign federal, state and/or government agency.

14.9 **Further Assurances.** At any time or from time to time on and after the date of this Agreement, either party shall at the request of the other party hereto (i) subject to the provisions of Article 9, deliver to the requesting party any records, data or other documents consistent with the provisions of this Agreement, and (ii) execute, and deliver or cause to be delivered, all such consents, documents or further instruments of transfer or license.

14.10 **Retained Rights; No Further Rights.** Only the licenses granted pursuant to the express terms of this Agreement shall be of any legal force or effect. No other license rights shall be granted or created by implication, estoppel or otherwise.

14.11 **Severability.** In the event that any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect without said provision. In such event, the parties shall in good faith negotiate a substitute clause for any provision declared invalid or unenforceable, which shall most nearly approximate the intent of the parties in entering this Agreement.

14.12 **Waiver.** It is agreed that no waiver by either party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default.

14.13 **Complete Agreement.** This Agreement constitutes the entire agreement, both written and oral, between the parties with respect to the subject matter hereof, and all prior agreements respecting the subject matter hereof, either written or oral, expressed or implied, including without limitation the Material Transfer Agreement, are superseded hereby, merged and canceled, and are null and void and of no effect. No amendment or change hereof or

addition hereto shall be effective or binding on either of the parties hereto unless reduced to writing and duly executed on behalf of both parties.

14.14 **Use of Name.** Except as required by law, neither party shall use the name or trademarks of the other party without the prior written consent of such other party.

14.15 **Headings.** The captions to the several sections and articles hereof are not a part of this Agreement, but are included merely for convenience of reference only and shall not affect its meaning or interpretation.

14.16 **Counterparts.** This Agreement may be executed in two (2) counterparts, each of which shall be deemed an original and which together shall constitute one instrument.

IN WITNESS WHEREOF, Ludwig and Celldex have executed this Agreement by their respective duly authorized representatives.

LUDWIG		**CELLDEX**	
By:	/s/ Edward A. McDermott, Jr.	By:	/s/ Ronald C. Newbold
Print Name:	Edward A. McDermott, Jr.	Print Name:	Ronald C. Newbold
Title:	President	Title:	Vice President, Business Development

Appendix A Ludwig Patent Schedule

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Appendix B **Celldex Patent Schedule**

PART I - - PATENTS/APPLICATIONS ASSIGNED TO CELLDEX:

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PART II - MEDAREX PATENTS/APPLICATIONS LICENSED TO CELLDEX:

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PART III - - ROCKEFELLER PATENTS/APPLICATIONS LICENSED TO CELLDEX:

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PART IV- CASES IN PREPARATION

Content: [*]

Celldex Ref and Territory	Serial No. and/or Publication No.	Date	Status
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CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [*], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Vaccine Adjuvant License and Collaboration Agreement

This Agreement is made on the 30th day of May, 2008 ("Effective Date") by and among 3M COMPANY ("3M") and 3M INNOVATIVE PROPERTIES COMPANY ("3M IPC"), a wholly-owned subsidiary of 3M, both with a principal address as 3M Center, St. Paul, MN 55144 (collectively "3M"); and Celldex Therapeutics, with a principal address at 222 Cameron Drive Suite 400, Phillipsburg, NJ 08865 ("CELLDEX").

RECITALS

CELLDEX has expertise and technology relating to vaccine products, including for example proprietary Antigen Presenting Cell ("APC") technology platform for the development of vaccines for prophylactic and/or therapeutic immunization against infectious disease and oncology (cancer).

3M, through its Drug Delivery Systems Division, has expertise and technology (with know-how and patents owned by 3M IPC) relating to toll-like receptor (TLR) 7 and/or 8 immune response modifier ("IRM") compounds, formulations, conjugation, delivery, and manufacturing including proprietary IRM compounds such as resiquimod and others, that are useful as vaccine adjuvants.

CELLDEX wishes to use certain 3M IRM compounds as vaccine adjuvants, and 3M wishes to license such compounds to CELLDEX for use with CELLDEX's APC technology for the development of vaccines. Further, CELLDEX may wish to have 3M collaborate in connection with the production, selection, formulation, conjugation, use or delivery of the 3M IRM compounds under a mutually agreed work plan to conduct such work.

If results of vaccine development efforts are successful, CELLDEX may wish to market commercial vaccine products in combination with the 3M IRM compound(s) as vaccine adjuvants.

IT IS THEREFORE AGREED as follows:

ARTICLE 1. DEFINITIONS

For the purposes of this Agreement, the terms defined in this Article shall have the meaning specified and shall be applicable both to the singular and plural forms.

"3M Background Patent Rights" shall mean the Patents owned or controlled by 3M IPC or 3M IPC Affiliates or to which 3M IPC or 3M IPC Affiliates otherwise has the right to license, including a licensable interest in any jointly owned Patents, and which are listed on Exhibit A, part 1. The data regarding a patent or application, and additional applications in a patent family, listed on Exhibit A, part 1, shall be updated by 3M IPC from time-to-time or upon request by CELLDEX. For the avoidance of doubt, any such additional 3M Background Patent Rights added to Exhibit A, part 1 during the term of this Agreement will be covered by the grant of rights under Section 2.1. For further avoidance of doubt, no patent families are included in 3M Background Patent Rights other than those listed on Exhibit A, part 1, provided, however, that (i) 3M IPC is not aware of any other Patent Rights existing as of the Effective Date owned or controlled by 3M IPC or its Affiliates that would cover the Licensed Compounds per se, the existing resiquimod gel formulation provided by 3M, or their use as Vaccine Adjuvants (as opposed to other specific formulations or other specific methods of delivery thereof), and (ii) in the event additional Licensed Compounds are added to this Agreement, 3M IPC will add applicable Patent Rights to Exhibit A, part 1.

"**3M Know-How**" shall mean any substantial proprietary Confidential Information and data which is not in the public domain provided by 3M to develop, use, manufacture, commercialize or obtain Regulatory Approval of a Product, including any access or right of reference to data in a Drug Master File or similar safety data package for resiquimod or other Licensed Compound or Product.

"**3M Patent Rights**" shall mean 3M Background Patent Rights and 3M Program Patent Rights.

"3M Program Patent Rights" shall mean Patents owned or controlled by 3M IPC or 3M IPC Affiliates or to which 3M IPC or 3M IPC Affiliates otherwise has the right to license, including any interest in any jointly owned Patents, on inventions conceived during and arising out of work conducted under this Agreement. Exhibit A, part 2, shall be updated by 3M IPC to include 3M Program Patent Rights promptly upon first filing an application on a program invention and at any other time upon request by CELLDEX to include applicable 3M Program Patent Rights of 3M covering a Licensed Compound, Vaccine Adjuvant and/or Product conceived during and arising out of work conducted under this Agreement. For the avoidance of doubt, any such additional 3M Program Patent Rights added to Exhibit A, part 2 during the term of this Agreement will be covered by the grant of rights under Section 2.1.

"3M Workplan" shall mean activities, if any, to be undertaken by 3M to assist CELLDEX with development of Product(s) in the Field, which may be incorporated into this Agreement upon written agreement of 3M and CELLDEX.

"**Affiliate**" shall mean (1) any individual or Entity who, whether now existing or created in the future, that in whatever country organized or resident, directly or indirectly through one or more intermediaries, is controlled by, or is under common control with, or controls, a Party; or (2) any Entity, whether now existing or created in the future, in which any Party or any individual or Entity recited in the preceding paragraph (1) directly or indirectly through one or more intermediaries has at least a forty percent (40%) ownership or voting rights interest (whether through stock ownership, stock power, voting proxy, or otherwise) or has the maximum ownership interest it is permitted to have in the country where such Entity exists.

"Approval Application" shall mean an application for Regulatory Approval required before commercial sale or use of a Product as a drug in a regulatory jurisdiction, including but not limited to an Investigational New Drug ("IND") application as defined in the United States Food, Drug and Cosmetic Act and regulations promulgated thereunder, or any corresponding foreign equivalent thereof or comparable regulatory or scientific filing to initiate human clinical exposure.

"**CELLDEX Know-How**" shall mean any substantial proprietary Confidential Information and data which is not in the public domain provided by CELLDEX useful to develop, use, manufacture, commercialize or obtain regulatory approval of a Product.

"CELLDEX Program Patent Rights" shall mean Patents owned or controlled by CELLDEX or its Affiliates or to which CELLDEX or its Affiliates otherwise has the right to license, including a licensable interest in any jointly owned Patents, on inventions conceived during and arising out of work conducted under this Agreement. Exhibit B shall be updated by CELLDEX to include CELLDEX Program Patent Rights promptly upon first filing an application on a program invention and at any other time upon request by 3M IPC to include applicable Patents of CELLDEX covering a Product conceived during and arising out of work conducted under this Agreement.

"CELLDEX APC Targeting Technology" shall mean: Any molecule or DNA vaccine that encodes for the molecule composed of an antibody or antibody fragment attached covalently or via a high-affinity bond to a vaccine antigen expressly designed to selectively bind to antigen presenting cells, including conventional dendritic cells, through cell surface receptors and to carry the vaccine antigen into these cells for subsequent immune processing.

"CELLDEX Workplan" shall mean the description(s) set forth in Exhibit C of activities to be undertaken by CELLDEX for the development of Product(s) in the Field, as entered in Exhibit C or which may be amended at CELLDEX's sole discretion.

"cGMP" shall mean manufacture in accordance with:

(a) Directive 91/412/EEC and Directive 2003/94/EC or any other applicable European Community legislation or regulation as amended and applicable from time to time;

(b) the current principles and guidelines of good manufacturing practice for medicinal products for human use and "substantial conformity with good manufacturing requirements" (as such phrase is used in Section 802(f)(1) of the Federal Food, Drug and Cosmetic Act, as such Act may be amended from time to time); and

(c) US Code of Federal Regulations, Title 21, Part 210 (Current Food Manufacturing Practice in Manufacturing, Processing, Packaging or Holding of Drugs), Part 211 (Current Food Manufacturing Practice for Finished Pharmaceuticals);

"Drug Master File" or **"DMF"** shall mean all filings and submissions of information to the FDA pursuant to US in 21 CFR 314.420 and otherwise in connection with the filing of a drug master file with the FDA in the United States, and, in any jurisdiction outside the United States, all analogous filings and submissions of information to any other regulatory body in such other jurisdiction in relation to the filing of a drug master file or analogous documentation therewith.

"**Entity**" shall mean any corporation, firm, partnership, proprietorship, or other form of business organization.

"**Earned Royalty**" shall mean the royalties paid or payable under this Agreement based on Net Sales of Product covered by a Granted Claim of 3M Patent Rights or using 3M Know-How. For purposes of this Agreement, the term "covering" or "covered" in the context of a Granted Claim means that but for the licenses granted herein the Product in question or the manufacture, use, sale, offer for sale, or importation of such a Product would infringe a Granted Claim according to the law of the applicable jurisdiction.

"Field" shall mean human prophylactic or therapeutic vaccination against any and all cancer disease states and selected infectious diseases, as listed in the attached Exhibit D.

"Improvement(s)" shall mean findings, improvements, enhancements, discoveries, technologies, information, inventions, additions, modifications, adaptations, advances, developments, uses, formulations, variations, enhancements, improvements or changes (whether or not patented or patentable) with respect to the Licensed Compounds (or other 3M IRM compounds) conceived, developed and/or reduced to practice during the term of this Agreement.

"Licensed Compound" shall mean resiquimod (or resiquimod gel), the compounds listed in Exhibit E (which may be amended upon mutual agreement to add new compounds), including any salt, solvate, ester, enantiomer, conjugate or prodrug thereof. As used herein, "conjugate" or "conjugated" refers to attachment of a Licensed Compound directly or indirectly to a vaccine antigen via a covalent or high-affinity non-covalent bond such that the Licensed Compound and vaccine antigen remain linked together (as a Product) for co-presentation to immune system cells.

"**Net Sales"** shall mean the amount invoiced by CELLDEX, its Affiliate, or its Sublicensee for sale of Product in an arms length transaction to a Third Party, less sales, excise

or use taxes or transportation charges shown on the face of the invoice, less credits for defective or returned Products, and less all regular trade and discount allowances. Product sold in transactions involving consideration other than or in addition to cash shall be deemed to have been sold at the highest price

charged by CELLDEX, its Affiliate or Sublicensee to the applicable class of trade in the relevant annual period (or, if all transactions in the applicable class of trade involve consideration other than or in addition to cash, the highest price charged by CELLDEX, its Affiliate or Sublicensee in the relevant annual period irrespective of class of trade). Leasing, lending, consigning, or any other activity by means of which a Third Party acquires the right to possession or use of a Product shall be considered to be a sale for the purpose of determining Net Sales. Net Sales shall be deemed to be at least fair market value. For clarity, the value of donations of Product cannot be deducted in calculating Net Sales.

"**Party**" or **"Parties"** shall mean CELLDEX, 3M, and/or 3M IPC, as applicable.

"Patents" shall mean patents and patent applications, utility certificates, improvement patents and models and certificates of addition and all foreign counterparts of them in all countries, including any divisional applications and patents, refilings, renewals, re-examinations, continuations, continuations-in-part, patents of addition, extensions, (including patent term extensions), reissues, substitutions, confirmations, registrations, revalidations, pipeline and administrative protections and additions, and any equivalents of the foregoing in any and all countries of or to any of them, as well as any supplementary protection certificates and equivalent protection rights in respect of any of them.

"Phase I Clinical Trial" shall mean a human clinical trial that is intended to initially evaluate the safety and/or pharmacological effect of a product in subjects or that would otherwise satisfy requirements of 21 CFR 312.21(a), or its foreign equivalent.

"Phase II Clinical Trial" shall mean a human clinical trial in any country that is intended to initially evaluate the effectiveness of a product for a particular indication or indications in patients with the disease or indication under study or that would otherwise satisfy requirements of 21 CFR 312.21(b), or its foreign equivalent.

"Phase III Clinical Trial" shall means a human clinical trial in any country that is intended to prove statistically sound evidence of the effect and safety of a product for a particular

indication or indications in patients with the disease or indication under study or that would otherwise satisfy requirements of 21 CFR 312.21(c), or its foreign equivalent.

"Product" shall mean any combination of (i) a CELLDEX APC Targeting Technology vaccine with (ii) a Licensed Compound to be utilized as a Vaccine Adjuvant. For the avoidance of doubt, a single Product may serve to provide immunization for multiple diseases in the Field.

"Regulatory Approval" shall mean any and all approvals, authorizations, licenses or registrations of any federal, state or local regulatory agency, department, bureau or other governmental entity (including but not limited to the U.S. Food and Drug Administration ("FDA"), necessary for the manufacture, use, storage, import, transport and/or sale of products in a regulatory jurisdiction.

"Regulatory Authority" shall mean (i) with respect to the United States, the FDA, or such other agency or instrumentality of the United States to which the responsibilities and authority of the FDA are given or delegated from time to time, (ii) with respect to the European Union, the European Medicines Evaluation Agency ("EMEA"), and (iii) with respect to each other jurisdiction, the agencies or instrumentalities of such jurisdiction having substantially the same responsibilities and authority of the FDA or EMEA.

"Sublicensee" shall mean a non-Affiliate person or entity to whom CELLDEX or a direct sublicensee of CELLDEX has granted a sublicense pursuant to and in accordance with Article 2 of this Agreement.

"Territory" shall mean worldwide.

"Third Party" shall mean an entity other than CELLDEX, 3M, 3M IPC, or Affiliates thereof.

"Vaccine Adjuvant" shall mean a Licensed Compound which is used to induce, augment, fine-tune, enhance, or desensitize an antigen-specific immune response to an antigen contained in a vaccine or generated by a DNA vaccine for the therapeutic treatment of an existing disease or prophylactic use as protection against future disease (including desensitization to allergens). **[*]**

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"Granted Claim" shall mean a claim of an issued (granted) and unexpired patent within the 3M Patent Rights that has not been held invalid by an administrative agency or court of competent jurisdiction in any unappealed or unappealable decision.

ARTICLE 2. LICENSE

2.1 3M IPC (and Affiliates if applicable) hereby grants to CELLDEX a worldwide, royalty-bearing, exclusive license to 3M Patent Rights and 3M Know-How to `make, have made, use, import, offer to sell, and sell Product using Licensed Compound supplied by 3M (or supplied by a third party under Section 7.2 if applicable) for use in the Field. For the avoidance of doubt, the license grant under this Section 2.1 provides for CELLDEX to utilize Licensed Compound related to the research and development of a Product for use in the Field.

2.2 CELLDEX, and any direct Sublicensee of CELLDEX granted in accordance with this Article 2, shall have the right to grant one or more sublicenses hereunder in connection with Licensed Compound (as related to the research and development of a Product for use in the Field) and any Product developed by CELLDEX without the prior written consent of 3M provided that:

(a) CELLDEX shall notify 3M in writing of the grant of any sublicense, identify the sublicense and assure itself of the integrity and financial responsibility of the Party to whom a sublicense is granted ("Sublicensee"); and,

(b) each Sublicensee shall agree to be bound by all of the obligations, terms and conditions that obligate, bind or affect CELLDEX under this Agreement to the extent that such obligations, terms and conditions are relevant given the nature of the rights granted by CELLDEX to any given sublicense.

2.3 CELLDEX hereby grants to 3M a non-exclusive, royalty-free, fully paid up license, with rights to sublicense, to any CELLDEX Improvements, provided that such license shall exclude use of Licensed Compounds with CELLDEX APC Technology until after the Term.

2.4 Neither 3M, 3M IPC nor CELLDEX grant any right or license under any patent rights, know-how, or other intellectual property rights other than as expressly provided above.

ARTICLE 3. TECHNICAL COLLABORATION AND REGULATORY SUPPORT

3.1 3M will provide to CELLDEX certain information regarding the Licensed Compounds including 3M Know-How and other information to support Approval Applications in the Territory. At CELLDEX's request and expense, and with reasonable advance notice, 3M may at 3M's option, attend and participate in meetings with a Regulatory Authority in seeking Regulatory Approval of a Product. 3M shall have no obligation to generate any additional data regarding a Licensed Compound except as provided under a 3M Workplan.

3.2 Each Party shall appoint a person (a "Program Manager") to coordinate this Article 3 of this Agreement. The Program Managers shall be the primary contacts between the Parties, and each Party shall notify the other within thirty (30) days after the date of this Agreement of the appointment of its Program Manager and shall notify the other Party as soon as practicable upon changing this appointment. As between the Parties, CELLDEX shall be solely responsible, at its own cost, expense and discretion, for designing, creating and finalizing a commercially reasonable plan for the development of a Product sufficient to obtain Regulatory Approval of such Product within the Territory, and then implementing and carrying out all activities contemplated under such development plan such as all research, development, scientific, medical, regulatory and other activities. Notwithstanding the foregoing, CELLDEX shall use commercially reasonable efforts to develop and commercialize a Product throughout the Territory. CELLDEX shall provide 3M a reasonable summary of such CELLDEX Workplans to allow 3M to monitor progress and estimated milestone timing. CELLDEX shall provide bi-annual updates of progress and/or material changes

under CELLDEX Workplans to 3M via contact with 3M's designated Program Manager. If CELLDEX terminates work on a Product for cancer or fails to use reasonable diligence after three years from the Effective Date to progress any program for a disease target listed in the Field other than cancer, 3M shall have the right to remove such disease target from the Field definition. CELLDEX shall promptly inform 3M of any discontinued programs and 3M shall have the right to update Field definition to remove such disease target.

3.3 3M will supply or have supplied, **[*]** for CELLDEX's use under a CELLDEX Workplan from initiation of pre-clinical studies through completion of a Phase I Clinical Trial, or 3M's use under a 3M Workplan within **[*]** weeks of receiving such request. 3M shall invoice CELLDEX at a rate of $**[*]** for the time required to produce and release any Licensed Compounds supplied by 3M to CELLDEX for Phase II and Phase III Clinical Trial studies, or other U.S. dollar amount as agreed. 3M shall invoice CELLDEX upon shipment of such supplies. CELLDEX shall pay 3M within 30 days of 3M's invoice date.

3.4 CELLDEX may request 3M to conduct work such as to identify IRM molecules for pre-clinical development and/or to synthesize conjugatable and non-conjugatable IRM molecules for preclinical and clinical development and to manufacture and perform stability studies for toxicology and clinical supplies. If 3M determines that it has the capacity and capability to conduct the work, CELLDEX and 3M shall agree on a 3M Workplan to define the scope, deliverables and timing for such work. 3M will use reasonable commercial efforts to carry out such work in a timely manner under the Workplan. CELLDEX will fund any such work by 3M at 3M's then-prevailing hourly rate **[*]**. 3M shall invoice CELLDEX for such work on a monthly basis. CELLDEX shall pay 3M within 30 days of 3M's invoice date.

3.5 As between CELLDEX and 3M, CELLDEX shall own all Approval Applications and Regulatory Approvals related to the development and commercialization of a Product in the Territory.

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3.6 CELLDEX (or one of its Affiliates or Sublicensees) shall be responsible for and act as the sole point of contact for communications with Regulatory Authorities in connection with the development, commercialization, and manufacturing of a Product in the Territory. To the extent 3M receives any written or oral communication from any Regulatory Authority relating to a Product, 3M shall (i) refer such Regulatory Authority to CELLDEX, and (ii) as soon as reasonably practicable, notify CELLDEX of such communication.

3.7 Each Party shall maintain records, in sufficient detail and in good scientific manner appropriate for patent purposes, which shall be complete and accurate and shall fully and properly reflect all work done and results achieved in the performance of obligations under this Agreement.

3.8 CELLDEX shall, following the Effective Date, bear all costs relating to obtaining, supporting and maintaining Regulatory Approvals in the Territory.

ARTICLE 4. PROGRAM IP OWNERSHIP

4.1 Inventions conceived during and out of the work under this Agreement, and patents and applications filed thereon, shall be owned according to U.S. law as follows: those conceived solely by employees or agents of one Party shall be owned by that Party; those conceived jointly by an employee or agent of 3M and an employee or agent of CELLDEX shall be owned jointly by 3M IPC and CELLDEX each joint owner having the right, subject to this Agreement, to practice, license, and transfer its rights in joint inventions without permission of or accounting to the other(s).

4.2 Each Party may prepare, file, prosecute, maintain, abandon, terminate, enforce, and otherwise handle solely owned patent rights at its sole discretion and expense. Joint patent applications and patents may be prepared, filed, prosecuted, and maintained primarily by CELLDEX at its expense if claiming an invention that is based primarily on use or formulation of the CELLDEX vaccine(s) and by 3M at

its expense if based primarily on use or formulation of resiquimod or other Licensed Compound, and if the invention being claimed is not clearly either of the foregoing, the Parties will agree in good faith how best to handle the cost, preparation, filing, prosecution, maintenance, abandonment, or termination of such joint applications and patents.

4.3 Infringement
In the case where at any time during the term of this Agreement either Party believes that an infringement within the scope of the exclusive license granted under Section 3.1 by a Third Party of the 3M Patent Rights is occurring, which infringement entails the development or commercialization of a product the same as any Product or that directly competes with any Product, such Party shall disclose the basis for such belief to the other Party.

4.4 Third Party Patents
If during the term of this Agreement either Party receives any notice, claim or proceedings from any Third Party alleging infringement of that Third Party's intellectual property by reason of either Party's activities under this Agreement, then:

(a) the notified Party shall forthwith inform the other Party of the notice, claim or proceeding;

(b) if the alleged infringement is due in particular to Licensed Compound (i.e., but for Licensed Compound, as opposed to a different adjuvant compound, there would be no infringement), then 3M shall have the right , but shall not be obliged to, at its own cost and expense, defend such claim or other proceeding in accordance with the following:

(i) 3M shall have sole conduct of the claim and any proceedings including any counterclaim for invalidity or unenforceability or any declaratory judgment action and including the right to settle provided always that 3M shall not settle any claim which prejudices any right or interest of CELLDEX other than with the prior written consent of CELLDEX. If 3M elects to unilaterally control the

conduct of such claim or proceeding, 3M shall pay its counsel and other litigation fees and pay the full cost of damages awarded in favor of the patentee for past infringement but shall have no other duty or liability to CELLDEX. CELLDEX shall provide reasonable assistance to 3M in relation to such proceedings provided 3M shall reimburse CELLDEX for its reasonable out-of-pocket expenses in providing any such requested assistance, but not any other expenses if, for example, CELLDEX elects to be separately represented (which shall be at CELLDEX's discretion), in which case such separate representation shall be at CELLDEX's cost and expense;

(ii) if 3M succeeds in any such proceedings whether at trial or by way of settlement, it shall be entitled to retain any part of an award of costs and damages made in such proceedings or settlement sum paid that is necessary to recover its costs and the balance shall then be shared between the Parties in proportion to the loss suffered by each Party in consequence of such proceedings.

(c) If 3M elects not to unilaterally control the conduct of such claim or proceeding, or if the alleged infringement is not due to Licensed Compound, then CELLDEX shall be fully responsible for defending conducting such claim or proceeding at its sole cost and expenses and shall indemnify and hold harmless 3M for any damages or liability resulting from such litigation. 3M shall provide reasonable assistance to CELLDEX in relation to such proceedings provided CELLDEX shall reimburse 3M for its reasonable out-of-pocket expenses in providing any such requested assistance, but not any other expenses if, for example, 3M elects to be separately represented (which shall be at 3M's discretion), in which case such separate representation shall be at 3M's cost and expense

ARTICLE 5. FEES AND MILESTONE PAYMENTS

5.1 CELLDEX shall pay 3M IPC **[*]** within 10 days of the Effective Date.

5.2 On the first and second anniversary of the Effective Date, CELLDEX shall pay 3M IPC **[*]**. This fee will enable CELLDEX to continue to develop different pre-clinical Products directed toward filing of an Approval Application with a Regulatory Authority ("Clinical

Candidate"), as designated in writing to 3M IPC by CELLDEX. Beginning on the third anniversary of the Effective Date, CELLDEX shall pay 3M **[*]**.

5.3 CELLDEX shall notify 3M IPC upon achieving the following clinical development milestone payments for each Product containing a different vaccine antigen and/or different Licensed Compound and shall pay 3M IPC within 30 days of the following clinical development events:

Development Milestones	**Payments**
[*]	**[*]**
[*]	**[*]**
[*]	**[*]**
[*]	**[*]**
[*]	**[*]**
[*]	**[*]**
[*]	**[*]**

*Major Market is defined as **[*]**.

* Confidential

ARTICLE 6. ROYALTIES

6.1 CELLDEX shall pay 3M IPC an Earned Royalty of **[*]** of Net Sales of Product covered by a Granted Claim of 3M Patent Rights or using 3M Know-How, **[*]**.

6.2 CELLDEX shall pay the Earned Royalties due under this Agreement not later than 30 days following each calendar quarter in which the Earned Royalties accrue. If necessary, royalty amounts may be estimated and subsequently reconciled in the next royalty payment. CELLDEX shall account for all sales of Products by their Affiliates and Sublicensees and shall submit a single payment for all sales of Products. Each payment shall be accompanied by a royalty report identifying the unit volume, Net Sales, and royalty due for each licensed Product on a country-by-country basis. Payments for royalties, as well as hourly charges for work under 3M Workplans, annual fees, and milestones with Reference Fields indicating the reason for payment shall be made by wire transfer to:

Wells Fargo Bank NA
420 Montgomery St
San Francisco, CA 94104-1298

ABA Number: 121000248
Beneficiary: 3M Company
Account Number: 0000030103

Agreement Control Number
Reference Field: Vaccine Adjuvant Annual Fees, Milestones, or Royalty

or to such other address as 3M IPC may from time to time designate.
Payments for hourly work by 3M shall be made net 30 days and as addressed in 3M's invoices for such work.

* Confidential

6.3 3M may inspect and audit the records of CELLDEX and its Sublicensees pertaining to the sale of Products through third party accountants of its own selection and reasonably acceptable to CELLDEX. CELLDEX shall provide such accountants with access to the records during reasonable business hours, to check, at 3M's expense, the royalty due hereunder. Any such audit shall not unreasonably interfere with the ability of CELLDEX to conduct its normal business. Such access need not be given to any such set of records more often than once each year nor more than 3 years after the date of any report to be audited, and the accountants shall report to 3M only the amount of royalty due and any other corrections to previous royalty reports. Such 3M accountant may be required by CELLDEX to enter into a reasonably acceptable confidentiality agreement, and in no event shall such accountants disclose to 3M any information other than such as relates to the accuracy of reports and payments made or due hereunder. 3M shall give CELLDEX written notice of its election to inspect and audit the records related to the royalty due hereunder not less than 30 business days prior to the proposed date of review by 3M's third party accountants. CELLDEX shall maintain sufficient records to permit the inspection and auditing permitted hereunder for three years after the date of each respective reporting period. CELLDEX shall prepare its records and reports according to generally accepted accounting principles.

6.4 Any late payments under this Agreement shall accrue interest at a rate of 1.0% per month. In the event that an audit reveals an underpayment by CELLDEX, it shall pay the past due royalty and interest within 30 days. In the event that an audit reveals an underpayment of more than 5% of the amount due, CELLDEX shall, in addition to interest due on the late amount, pay for 3M's reasonable costs in conducting the audit.

ARTICLE 7. COMMERCIAL SUPPLY OF LICENSED COMPOUNDS

7.1 **[*]**

7.2 **[*]**

ARTICLE 8. CONFIDENTIALITY, STUDY RESULTS, AND PUBLICATION

8.1 During the course of this Agreement, 3M, 3M IPC and CELLDEX may each disclose confidential and/or proprietary information, including but not limited to each Party's materials, other proprietary materials and technologies, economic information, business or research strategies, trade secrets and material embodiments thereof (each Party's "Confidential Information"), to the other solely for the purpose of carrying out a CELLDEX Workplan or 3M Workplan, or both.

8.2 The recipient of Confidential Information shall (i) not disclose it to any Third Party except employees, consultants, and agents to whom such disclosure is necessary to the purpose of this Agreement and who are bound by confidentiality obligations at least as stringent as herein, (ii) protect it with the same degree of care used to protect its own confidential information of a like nature, but no less than a reasonable degree of care, (iii) not use it for any purpose other than as set forth under this Agreement, and (iv) return it upon request of the disclosing Party.

* Confidential

8.3 The obligations set forth in paragraph 8.2 shall apply only to Confidential Information that is (a) disclosed in writing and is marked to indicate it is confidential at the time of disclosure, or that is (b) disclosed in any other manner and is indicated to be confidential at the time of disclosure and thereafter is also summarized and marked to indicate it is confidential in a written memorandum delivered to the receiving Party within thirty days of the disclosure, or that is (c) disclosed in the form of tangible products or materials transmitted with an accompanying written memorandum indicating that the disclosure is confidential. Further, it is understood that 3M shall not receive on a confidential basis any information regarding Licensed Compounds or uses, formulations or delivery thereof, and CELLDEX shall not receive on a confidential basis any information regarding CELLDEX's vaccine's or uses, formulations or delivery thereof.

8.4 Information shall no longer be deemed Confidential Information 5 years following the termination or expiration of this Agreement, or if the information (i) was in recipient's possession before receipt from discloser and was not acquired, directly or indirectly, from discloser on a confidential basis, (ii) is received in good faith from a Third Party not subject to an obligation of confidentiality owed to discloser or a Third Party, (iii) is independently developed by recipient without reference to or use of Confidential Information received hereunder, or (iv) is already or becomes available to the public through no fault of the recipient (v) is required by judicial or administrative process to be disclosed, provided that recipient shall promptly notify discloser with enough time to oppose such process. A recipient Party may include information of the other in a patent application only to the extent required (e.g., to comply with best mode) and provided that it is raised in advance and there is no reasonable objection by the other Party.

8.5 With specific regard to pre-clinical and clinical study results from work under this Agreement generated by CELLDEX or Third Parties, each Party shall treat such data as confidential but shall have the right to use the data for its own internal research purposes and shall have a limited right to disclose the data to individual

Third Parties provided that such disclosure shall not without written permission of the other Party include information that would (i) in the case of disclosures by CELLDEX, identify 3M or suggest (e.g., via mechanism of action) that Licensed Compounds were used, or (ii) in the case of disclosures by 3M, identify CELLDEX or suggest that a CELLDEX vaccine was used. For avoidance of doubt, (i) CELLDEX may disclose that a novel vaccine adjuvant was used in the work, and 3M may disclose the results obtained using a particular vaccine; and, (ii) pursuant to Section 3.5, CELLDEX shall own all Approval Applications and Regulatory Approvals related to the development and commercialization of a Product in the Territory. For the avoidance of doubt, 3M shall not have access to CELLDEX Regulatory Applications, but shall have the right to use data generated in support of such Regulatory Applications as it relates to the Licensed Compound.

8.6 Any peer-reviewed journal publication or public presentation at scientific meetings, or the like, of the data shall be only with the mutual consent of the Parties, shall include employees of both Parties as authors if academically appropriate, and shall identify both 3M and CELLDEX unless one Party requests not to be identified or to exclude identification of 3M IRM compounds or the CELLDEX APC vaccine candidate. Any proposed journal publication or presentation at a public meeting of the data shall be submitted by the publishing or presenting Party to the other Party for review, comment and removal of said Party's Confidential Information at least thirty (30) days in advance of submission to the proposed publisher or conference.

8.7 The terms of this Agreement shall be deemed confidential, but existence and general nature of this Agreement or that the Parties have a relationship regarding the subject matter hereof shall not be deemed confidential.

ARTICLE 9. WARRANTIES AND INDEMNIFICATION

9.1 Each Party warrants that (i) it has the right to enter into this Agreement; (ii) it has no obligations to any other person or entity which are in conflict with its obligations under this Agreement; (iii) it has taken all requisite action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, binding obligation, enforceable against such Party in accordance with its terms.

9.1.1. Except as disclosed to or otherwise known by CELLDEX, 3M IPC (or an Affiliate) owns and/or has the right to license the 3M Background Patent Rights as set forth in this Agreement.

9.1.2. Except as disclosed to or otherwise known by CELLDEX, 3M IPC does not have actual knowledge, through its in-house patent counsel, that any Third Party patent would be infringed by Licensed Compound or its manufacture by 3M.

9.2 3M warrants that any Licensed Compound, or formulation thereof, it supplies to CELLDEX for clinical testing or commercial supply will meet agreed upon specifications and be manufactured in accordance with cGMP.

9.4 EXCEPT AS SET FORTH IN THIS PARAGRAPH 9.1 and 9.2, NO PARTY GIVES ANY EXPRESS OR IMPLIED WARRANTY PURSUANT TO THIS AGREEMENT, THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT OR ANY OTHER MATTER OR SUBJECT ARISING OUT OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF THIRD PARTY PATENT RIGHTS, OR THE SCOPE, VALIDITY, OR ENFORCEABILITY OF ANY LICENSED PATENT RIGHTS.

9.5 3M shall indemnify, defend and hold CELLDEX harmless against any and all Third Party loss or liability for any and all judgments, claims, causes of action,

suits, proceedings, losses, damages, demands, fees, expenses, fines, penalties or costs (including without limitation reasonable attorney's fees, costs and disbursements) arising from any claim by such Third Party made against CELLDEX to the extent such claim results from 3M's breach of the warranty provided above, however, 3M shall be liable only to the extent such breach resulted in the harm or injury for which CELLDEX seeks indemnification. CELLDEX's sole remedy for supply of defective Licensed Compounds, or formulation thereof, shall be replacement of such material or refund of the supply cost paid to 3M for such material.

9.6 CELLDEX shall indemnify, defend and hold 3M and 3M IPC harmless from any and all Third Party loss or liability for any and all judgments, claims, causes of action, suits, proceedings, damages, demands, fees, expenses, fines, penalties and costs (including without limitation reasonable attorney's fees, costs and disbursements) arising from any claim by such Third Party made against 3M/3M IPC that results from CELLDEX's or its agent's use, sale, testing, or clinical studies of Licensed Compounds, or formulation thereof, or Product except to the extent that such loss or liability is due to 3M's breach of the warranty set forth above.

9.7 Notwithstanding anything in this Agreement to the contrary neither Party shall be liable to the other for any indirect, incidental, special, punitive or consequential damages related to Licensed Compounds, formulation thereof, or Product, or performance or non-performance of this Agreement regardless of the legal theory asserted including, but not limited to, contract, fault, negligence or strict liability.

ARTICLE 10. TERM AND TERMINATION

10.1 This Agreement shall, unless earlier terminated, expire at the end of CELLDEX's obligation to pay royalties under Article 6 expires.

10.2 CELLDEX shall have the right to terminate without cause at any time on 60 days written notice to 3M.

10.3 3M shall have the right to terminate this Agreement on 60 days written notice in the event CELLDEX takes action directly or indirectly to challenge the validity, scope or enforceability of any of the 3M Patent Rights.

10.4 Either Party may terminate this Agreement upon 60 days written notice of material breach by the other Party and failure to cure such breach within such 60 days time.

10.5 In the event CELLDEX terminates this Agreement under Section 10.2 or 10.4 or 3M terminates under Sections 10.3 or 10.4, all licenses to CELLDEX under this Agreement shall immediately terminate and CELLDEX shall destroy any unused amounts of Licensed Compound at 3M's written request, provided that CELLDEX, its Affiliates and any sublicensee thereof may, however, after the effective date of such termination, sell all Products, and complete manufacture and/or formulation at the time of such termination and sell, have sold, or offer for sale the same, provided that CELLDEX shall make the payments and submit reports to 3M as required in Article 6 of this Agreement.

ARTICLE 11. MISCELLANEOUS

11.1 This Agreement contains the complete and entire agreement between the Parties hereto, and supersedes any previous communications, representations, or agreements whether verbal or written relating to the subject matter hereof.

11.2 No change, addition, waiver, amendment, or modification of any of the terms or conditions hereof shall be valid or binding on either Party unless in writing and signed by authorized representatives of all Parties.

11.3 Notices under this Agreement shall be given in writing and delivered by mail or facsimile to the Parties as follows:

To 3M:

3M Drug Delivery Systems Division
3M Center Bldg. 275-3E-10
St. Paul, Minnesota 55144

Attention: General Manager

With a copy to:

Chief Intellectual Property Counsel
Office of Intellectual Property Counsel
3M Innovative Properties Company
Building 220-10W-01
3M Center
St. Paul, Minnesota 55144

To CELLDEX:

Celldex Therapeutics
222 Cameron Drive, Suite 400
Phillipsburg, New Jersey 08865
Attention: VP Business Development
Facsimile: (908) 454-1911;

with copies to:
Fox Rothschild LLP
2700 Kelly Road, Suite 300
Warrington, PA 18976-3624
Attention: Jeffrey H. Nicholas, Esq.
Facsimile: (215) 345-7507;

11.4 This Agreement may not be assigned by a Party without the prior written consent of the other Party, and any purported assignment without such consent shall be void, provided however, (i) CELLDEX may assign this Agreement without such consent in connection with the sale or transfer of substantially all of its business to which this Agreement relates, or (ii) 3M and 3M IPC may assign this Agreement without such consent in connection with the sale or transfer of substantially all of 3M's business to which this Agreement relates.

11.5 Any questions, claims, disputes or litigation arising from or related to the making, performance or alleged breach of this Agreement, or to any available remedies (a "dispute"), shall be governed by the laws of Minnesota, without regard to conflicts of law principles, and shall be resolved as follows: (i) upon written notice of dispute (the "notice"), by in-person negotiation between business representatives of the Parties who have authority to fully resolve the dispute; (ii) if within 60 days of the notice the dispute has not been fully resolved, the Parties shall conduct a confidential mediation using a location, mediator, and rules acceptable to both Parties (with the costs of mediation shared equally); (iii) if the dispute is not then resolved, and as a last resort only, either Party may commence litigation; provided that any lawsuit must be filed and maintained exclusively in the state or federal courts of Minnesota. THE PARTIES HEREBY WAIVE ANY CONSTITUTIONAL, STATUTORY OR COMMON LAW RIGHT TO A TRIAL BY JURY. Nothing herein shall preclude either Party from taking whatever actions it deems necessary to prevent immediate, irreparable harm to its interests.

11.6 If one or more provisions of this Agreement is for any reason found to be invalid or unenforceable or ruled by a court or other government body of competent jurisdiction to be invalid or unenforceable, that provision or provisions shall be deemed severed from the rest of the Agreement and all other provisions within the Agreement nevertheless will remain enforceable. The Parties shall replace any such invalidated or unenforceable provision(s) with a valid and enforceable provision(s), by mutual consent, which will achieve the economic effect sufficiently similar to the invalid or unenforceable provision(s) so that it can be reasonably assumed that the Parties would have entered into this Agreement with such a replacement provision or provisions in place.

11.7 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original document, but all such separate counterparts shall constitute only one and the same instrument. One or more counterparts may be

delivered by facsimile transmission and such transmission shall be valid and binding to the same extent as if it were an original.

11.8 Neither Party shall be held liable or responsible to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes

beyond the reasonable control of the affected Party, including but not limited to fire, floods, embargoes, war, acts of war (whether war is declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority of the other Party; provided, however, that the Party so affected shall use reasonable commercial efforts to avoid or remove such causes of nonperformance, and shall continue performance hereunder with reasonable dispatch whenever such causes are removed. Either Party shall provide the other Party with prompt written notice of any delay or failure to perform that occurs by reason of force majeure. The parties shall mutually seek a resolution of the delay or the failure to perform as noted above.

11.9 Each Party agrees to execute, acknowledge and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement. At the request and expense of CELLDEX, 3M agrees to execute any such further documents or other instruments presented by CELLDEX as may be necessary to register or record the exclusive licenses herein at any and all Patent Offices as may be deemed appropriate by CELLDEX in its discretion, and 3M shall reasonably cooperate with CELLDEX as necessary to effect such registration or recordal.

11.10 The Parties acknowledge that this Agreement, including the details of the Exhibits hereto, includes a good faith effort by the Parties under the circumstances to identify, as of the Effective Date, all Patents to be licensed to CELLDEX by 3M hereunder with respect to the Licensed Products (as reasonably understood by 3M as of the Effective Date based on information provided by CELLDEX), but that

such effort may be incomplete or may be under-inclusive with respect to such Patents. In the event that, at any time and from time to time during the term of this Agreement CELLDEX in good faith identifies additional Patents existing as of the Effective Date owned or controlled by 3M IPC or its Affiliates that would cover the Licensed Compounds *per se*, the existing resiquimod gel formulation provided by 3M, or their use as Vaccine Adjuvants (as opposed to other specific formulations or other specific methods of delivery thereof) and which should have been included in Exhibit A, Part 1 pursuant to this Agreement but which were not so included, CELLDEX shall notify 3M in writing with respect to such relevant Patents, and 3M will at 3M's election either add applicable Patents that would cover the Licensed Compounds per se or their use as Vaccine Adjuvants to Exhibit A, Part 1, or give CELLDEX a worldwide, royalty-free, nonexclusive, fully paid-up, perpetual (except in the case of termination by CELLDEX under Section 10.2 or 10.4 or by 3M under Sections 10.3 or 10.4), sublicensable, assignable license as to such Patents to make, have made, use, import, offer to sell, and sell Product using Licensed Compound subject to any preexisting written obligations 3M may have made to Third Parties in good faith (without knowing that such Patent covers a CELLDEX Product) prior to receiving such notice from CELLDEX.

11.11 Headings used herein are for the convenience only and shall not in any way affect the construction of, or be taken into consideration in interpreting this Agreement.

EXECUTED and AGREED to by the Parties:

For and on behalf of 3M COMPANY

Signed: /s/ Jim A. Vaughan Dated: May 30, 2008

Printed: Jim A. Vaughan Title: Div V.P.

3M INNOVATIVE PROPERTIES COMPANY

Signed: /s/ Robert W. Sprague Dated: June 2, 2008

Printed: Robert W. Sprague Title: Secretary

CELLDEX THERAPEUTICS

Signed: /s/ Anthony S. Marucci Dated: June 2, 2008

Printed: Anthony S. Marucci Title: Chief Executive Officer

Exhibit A
Part 1 — 3M Background Patent Rights

Part 2 — 3M Program Patent Rights

Exhibit B
CELLDEX Program Patent Rights

Exhibit C
Workplan(s)

Celldex's overall strategy is to develop a potent regimen for promoting a broad immune response to selected disease—specific antigens. Celldex has developed APC-targeted vaccines that efficiently deliver antigens to the immune system using human monoclonal antibodies that bind dendritic cells and other APCs (antigen presenting cells). Celldex's vaccines are currently using two platforms — One based on targeting to mannose receptors, the other targets DEC-205 receptors. In each case, the vaccines require combination with "adjuvants" to maximize the immune response. Preclinical studies have demonstrated that **[*]**, which may be further enhanced with additional immune modulators. Celldex plans to transition these studies to human clinical trials by initiating one or more Pilot and Phase II studies in cancer patients with APC-targeted vaccines **[*]**. The timing of initiation and completion of these studies is subject to a number of factors that include: regulatory acceptance of proposed studies, requirement of toxicology studies, clinical supplies, and Celldex resources.

A brief outline is presented below:

1. **[*]**

2. **[*]**

3. **[*]**

Based upon these studies, Celldex will explore additional opportunities for combination programs in both Cancer and Infectious disease indications.

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* Confidential

Exhibit D
Diseases

Diseases:
- Cancer
- Infectious Diseases:
  - **[*]**
  - **[*]**
  - **[*]**

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* Confidential

Exhibit E
Compounds

[*]
(list to be expanded/amended as appropriate)

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* Confidential

Exhibit 10.47

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH AN ASTERISK [*], HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Execution Copy

Exclusive Patent And Know-How License Agreement

THIS AGREEMENT dated as of November 5, 2008 (the "Effective Date") is between:

(1) **UNIVERSITY OF SOUTHAMPTON** ("Southampton"), an institution incorporated by Royal Charter with registration number RC000668 and whose administrative offices are at Highfield, Southampton, United Kingdom, SO17 1BJ; and

(2) **CELLDEX RESEARCH CORPORATION,** a company incorporated in the State of Delaware with offices located at 222 Cameron Drive, Phillipsburg, NJ 08865, U.S.A., and its parent corporation, **CELLDEX THERAPEUTICS, INC.,** a company incorporated in the State of Delaware with offices located at 119 Fourth Avenue, Needham, MA 02494-2725, U.S.A. (collectively, "Celldex").

RECITALS:

(A) Professor Martin Glennie and colleagues within Cancer Sciences at Southampton have determined that **[*]** as vaccines for the treatment of disorders that may benefit from immune stimulation;

(B) Southampton filed a UK National patent application entitled **[*]**, included in the Patents, to protect this invention. Southampton also has generated an **[*]**, included in the Materials;

*****Confidential

(C) The research programme conducted by Professor Martin Glennie and colleagues which generated the Intellectual Property (as defined below) was funded by Tenovus, a cancer charity registered in England and Wales under number 1054015. Under the terms and conditions of Tenovus grant funding, Tenovus have co-ownership rights in the Intellectual Property. Pursuant to an Assignment Agreement dated 29 February 2008, Tenovus' rights in the Licensed IP have vested in Cancer Research Technology Ltd, Sardinia House, Sardinia Street, London WC2A 3NL, England ("CRT"). Southampton and CRT are therefore co-owners of the Licensed IP. Under the terms of the CRT Agreement dated October 13, 2008 attached hereto as Schedule 2, CRT has granted Southampton the rights to grant exclusive licenses to the Patents, Materials and Know How;

(D) Southampton wishes to continue to carry out further research and development on the application of its **[*]** for treating disorders that may benefit from immune stimulation. Southampton wishes to retain the right to license the combination of its Materials and **[*]** to Third Parties;

(E) Celldex wishes to seek to generate its own **[*]** and to develop an adjuvant/vaccine based on **[*]**;

(F) Celldex seeks rights to the Intellectual Property to undertake the proposed development and to manufacture, have manufactured, import, sell and use adjuvants/vaccines incorporating **[*]** antibodies and/or to secure sublicenses with Third Parties; and

(G) Southampton is willing to provide Celldex rights to the Intellectual Property subject to the provisions of this Agreement.

IT IS AGREED as follows:

*****Confidential

1. **Definitions**

In this Agreement, the following words shall have the following meanings:

Academic Partner	means a charitable body or academic institution or any non-for-profit entity (or similar entity).
Academic Research	means academic, non-commercial research and teaching conducted alone or in collaboration with other Academic Partners. For the avoidance of doubt, Academic Research excludes any Sponsored Research.
Affiliate	Means any company, partnership or other entity which directly or indirectly Controls, is Controlled by or is under common Control with any other entity.
Claims	Means all demands, claims and liability (whether criminal or civil, in contract, tort or otherwise) for losses, damages, legal costs and other expenses of any nature whatsoever and all costs and expenses (including legal costs) incurred in connection

therewith.

Combination Product Means a product that contains a Licensed Product and at least one other essential functional component.

Commercial Partner Means any entity which is not an Academic Partner.

Confidential Information Means proprietary information and trade secrets or confidential information relating to the business affairs or finances of the other Party supplied or otherwise made available to them or coming into their possession in relation to the performance of this Agreement, irrespective of form.

Control Means direct or indirect beneficial ownership of 50% (or, outside a Party's home territory, such lesser percentage as is the maximum, permitted level of foreign investment) or more of the share capital, stock or other participating interest carrying the right to vote or to

distribution of profits of that Party, as the case may be.

Cover(ed) Means, with respect to any Patent and the subject matter at issue, that, but for a license granted under a Valid Claim of such Patent, the manufacture, use, sale, offer for sale, or importation of the subject matter at issue would infringe such Valid Claim on a country-by-country basis, or, in the case of a Patent that is a patent application, would infringe a Valid Claim on a country-by-country basis in such patent application if it were to issue as a patent.

Diligent and Reasonable Efforts Means, with respect to the efforts to be expended by a Party with respect to the objective that is the subject of such efforts, such reasonable, good faith efforts and resources to accomplish such objective that such Party would normally use to accomplish a similar objective under similar circumstances, it being understood and agreed that with respect to the development or commercialization of a Licensed Product, such efforts shall be similar to those efforts and resources commonly used by that Party to develop or commercialize a product owned by it or to which it otherwise has rights that is at a similar stage of development or product life and is of similar market potential as the relevant Licensed Product, taking into account product labelling or anticipated labelling, present and future market potential, past performance of Licensed Products and such Party's own pharmaceutical products that are of similar market potential, financial return, medical and clinical considerations, present and future regulatory environment and competitive market conditions, all as measured by the facts and circumstances at the time such efforts are due. *Diligent and Reasonable Efforts* shall be secured through the reporting obligations of Section 5.2 and Southampton's right of termination of Section 5.4.

Diligent and Reasonable Efforts shall be determined on a market-by-market and indication-by-indication basis for a particular Licensed Product, and it is anticipated that the level of effort will be

different for different markets, and will change over time, reflecting changes in the status of the Licensed Product and the market(s) involved.

Effective Date Means the effective date of this Agreement as set forth above.

Field Means all therapeutic or prophylactic uses, including uses as adjuvants or vaccines, in the Territory of **[*]**, alone or in combination with any other pharmaceutical agent, other than the Southampton Field.

Intellectual Property Means the Patents, Materials, Know-how, and Confidential Information.

Know-how Means Confidential Information in the form of technical information in the Field relating to the Patents, Materials and/or Licensed Products and developed by or under the supervision of Professor Martin Glennie prior to the Effective Date and specifically set forth on Schedule 1 Part B hereof and transferred to Celldex prior to the end of the Extended Transfer Period pursuant to Section 3.1 hereof, including any utility models and registered designs, together with applications for any of the foregoing and the right to apply for any of the foregoing, copyrights, database rights and design rights and in which Southampton has the necessary rights to enable it to grant the license set out in Clause 2.1.2.

Licensed Products Means any and all products in the Field that are developed, manufactured, sold or otherwise supplied by Celldex or its sub-licensee (including any Affiliate of Celldex) and (a) which is Covered by the Patents in the country of manufacture and/or sale, and/or (b) incorporate or was developed making use of any of the Know-how and/or Materials.

Materials Means **[*]** thereof generated by Celldex, its Affiliates or sub-licensees.

*****Confidential

Net Receipts Means the amount of any payment (excluding Value Added Tax) and the value of any non monetary receipt (subject to the

provisions below) obtained by, or due to, Celldex or its Affiliate, in relation to the sub-licensing (including the grant of any option over a sub-license) of any of the Intellectual Property and including any of the following:

(a) up-front, milestone (whether at the stage of development, marketing or otherwise), success, bonus, maintenance and periodic (including annual) payments due under any sub-license agreement;

(b) payments in respect of the funding of research or development activities related to any Licensed Product, to the extent that such payments exceed a reasonable level of payment for such activities;

(c) where any sub-license is to be granted under cross licensing arrangements, the value of any cross license obtained under such arrangements, solely to the extent that the value of such cross license has been independently valued in and is easily ascertainable from a separate non-exclusive arms-length agreement between the cross licensor and an independent Third Party;

(d) any premium paid over the fair market value of shares, options or other securities in respect of any of the share capital of Celldex or its Affiliate;

(e) any loan, guarantee or other financial benefit made or given other than on normal market terms; and

(f) payments in the form of any shares, options or other securities that are not freely transferable and that are obtained from a Third Party, valued at the time such shares, options, or other securities are monetized. Net receipts in the form of freely transferable shares, options, or other securities

shall be subject to Section 4.6.1;

but excluding (i) any payments in respect of the funding of research or development activities related to any Licensed Product not included in (b) above, (ii) any payment at the fair market value for shares, options or other securities in respect of any of the share capital of Celldex or its Affiliate, (iii) any sum of money falling within the definition of Net Sales Value, or (iv) any non-monetary value received with the exception of Third Party shares, options or other securities as set forth above.

Net Sales Value

Means the invoiced price of Licensed Products sold by Celldex, its Affiliates or its sub-licensees under any of the Intellectual Property to independent Third Parties in arm's length transactions exclusively for money or, where the sale is not at arm's length and exclusively for money the price that would have been so invoiced if it had been at arm's length and exclusively for money after deduction of all documented:

(a) normal trade discounts actually granted and any credits actually given for rejected or returned Licensed Products including, those granted on account of price adjustments, billing errors, rejected goods, damaged or defective goods, recalls, returns, rebates, chargeback rebates, reimbursements or similar payments granted or given to wholesalers or other distributors, buying groups, health care insurance carriers or other institutions;

(b) costs of packaging, insurance, carriage and freight, provided in each case that the amounts are separately charged on the relevant invoice;

(c) value added tax or other sales tax; and

(d) import duties or similar applicable government levies;

(e) bad debts related to such Licensed Product to the extent actually written-off;

provided that such deductions do not exceed reasonable and customary amounts in the markets in which such sales occurred.

In the case of Combination Products, Net Sales Value means the gross amount billed or invoiced on sales of the Combination Product less the deductions set forth above, multiplied by a proration factor that is determined as follows:

(i) If all essential functional components of the Combination Product were sold separately during the same or immediately preceding Sales Year, the proration factor shall be determined by the formula [A/(A+B)], where A is the aggregate gross sales price of each of the essential functional components including the Licensed Product during such period when sold separately from the other essential functional components, and B is the aggregate gross sales price of each of the essential functional components excluding the Licensed Product during such period when sold separately from the Licensed Product components, the periods not being more than 12 months from date of proration; or

(ii) If all essential functional components of the Combination Product were not sold separately during the same or immediately preceding Sales Year (i.e., if at least one of the essential functional components was not sold separately), the proration factor shall be determined by the formula [C/C+D], where C is the fair market value of the Licensed Product essential functional components during the prior Sales Year and D is the fair market value of the other essential functional

components during the prior Sales Year with such fair market values being determined in good faith by agreement of the Parties.

Sales between Celldex, its Affiliates and sub-licensees shall not be considered for the purposes of this definition unless there is no subsequent sale to a person who is not Celldex, its Affiliate or sub-licensee in an arm's length transaction exclusively for money.

Parties	Means Southampton, and Celldex, and "Party" shall mean any of them.
Patents	Means any and all of the patents, patent applications, author certificates, inventor certificates, utility models (i) owned or otherwise controlled by Southampton as of the Effective Date that relate to the Field, including the patents and patent applications referred to in Schedule 1 Part A, and (ii), owned or otherwise controlled by Southampton during the Term that relate to the Field, including in each case any continuations, continuations in part, extensions, reissues, re-examination, divisions, renewals, substitutions, confirmations, registrations, revalidations and additions of or to them, and any patents, patent applications, supplementary protection certificates and similar rights that are based on or derive priority from the foregoing and related international or foreign patents and applications anywhere in the world.
Phase I Trial	Means a clinical trial generally consistent with U.S. 21 C.F.R. §312.21(a) or any foreign counterpart thereof initiated by or on behalf of Celldex with respect to a Licensed Product anywhere in the Territory.
Phase II Trial	Means a clinical trial generally consistent with U.S. 21 C.F.R. §312.21(b) or any foreign counterpart thereof, including without limitation a Phase IIa study, initiated by or on behalf of Celldex with respect to a Licensed Product anywhere in the Territory.
Phase III Trial	Means a clinical trial generally consistent with U.S. 21 C.F.R. §312.21(c) or any foreign counterpart thereof, including without limitation a Phase II/III study, initiated by or on behalf of Celldex with

	respect to a Licensed Product anywhere in the Territory
Sales Year	Means each period of a year commencing on the first day of July that follows the date of first commercial sale by Celldex or any sub-licensee for the first Licensed Product, or on any anniversary of that date.
Sponsored Research	means research undertaken at the request of, or in collaboration with, any entity which is a Commercial Partner where any resulting Intellectual Property is encumbered in favour of such entity.
Southampton Field	Means all therapeutic or prophylactic uses, including uses as adjuvants or vaccines, in the Territory of **[*]** in combination with the Southampton-proprietary **[*]** thereof where such use includes the *in vivo* administration of such **[*]** and such **[*]** to a mammal or the *in vitro* use of such **[*]**and such **[*]**, wherein the **[*]**.
Term	Means the term of this Agreement as set forth in Clause 8.1.
Territory	Means the world
Third Party	Means an entity or person other than Southampton or Celldex or their respective Affiliates and sub-licensees under this Agreement.
Tobacco Party	means any corporation, company, partnership or other organisation or person with a material interest in the tobacco industry;

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Valid Claim	means a claim of an issued (granted) and unexpired patent, or a claim of a pending patent application, where such pending application has been pending for less than ten (10) years from its earliest priority date, or a claim of an issued (granted) and unexpired patent issued from such a pending patent application during or after such ten (10) year period, which in any of the foregoing cases has not been withdrawn, cancelled, abandoned, disclaimed, or held permanently revoked, unenforceable or invalid by a decision of an administrative agency or court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise;

2 Grant of rights

2.1 Subject to Clause 2.4, Southampton hereby grants to Celldex, subject to the provisions of this Agreement:

2.1.1 an exclusive non-transferable (except as expressly permitted under this Agreement) license in the Field under the Patents, with the right to sublicense, subject to clause 2.3 below, to research, develop, manufacture, have manufactured, use, import, offer for sale and sell Licensed Products in the Territory;

2.1.2 an exclusive license in the Field to use the Know-How, with the right to sub-license, subject to clause 2.3 below, to research, develop, manufacture, have manufactured, use, import, offer for sale and sell Licensed Products in the Territory;

2.1.3 an exclusive license in the Field to use the Materials subject to clause 2.3

below, solely for research and development purposes. For the avoidance of doubt Celldex shall not humanise any of the Materials nor administer the Materials, or any substances contacted with the Materials, to human subjects.

2.2 The Parties shall execute such formal licenses as may be necessary or appropriate for registration with Patent Offices and other relevant authorities in particular territories. In the event of any conflict in meaning between any such license and the provisions of this Agreement, the provisions of this Agreement shall prevail. The Parties shall use reasonable endeavours to ensure that, to the extent permitted by relevant authorities, this Agreement shall not form part of any public record.

2.3 Celldex shall be entitled to grant sub-licenses of its rights under this Agreement to any person and any sub-license granted shall contain the right to grant further sub-licenses, provided that:

2.3.1 a sub-license shall include obligations on the sub-licensee which are equivalent to relevant obligations on Celldex under this Agreement;

2.3.2 within sixty (60) days of the grant of any sub-license Celldex shall provide to Southampton a true copy of it, in English, and Celldex shall disclose the terms of any such sub-license agreement only to the extent that such terms impact payments due from Celldex to Southampton, and to the extent that a sub-licensee permits Celldex to disclose the terms of such a sub-license agreement; and

2.3.3 Celldex shall not be relieved of any of its obligations under this agreement as a result of such sub-license, including but not limited to its obligation to make payments under Section 4, and its obligation to commercialize the Licensed Technology under Section 5; and

2.3.4 **[*]**.

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2.4 Reserved Rights

2.4.1 The Parties acknowledge that under the terms of the CRT Agreement, CRT has reserved its rights to a worldwide, perpetual, irrevocable, fully paid-up, royalty-free, non-exclusive right in and to the Intellectual Property for CRT to conduct Academic Research (such right may be licensed by CRT solely to Academic Partners, including, for the avoidance of doubt, any researchers funded or employed by Tenovus and/or Cancer Research UK) the ("CRT Reserved Rights").

2.4.2 Southampton reserves a worldwide, perpetual, irrevocable, fully paid-up, royalty-free, non-exclusive right in and to the Intellectual Property for Southampton and its Affiliates, to conduct Academic Research. For the avoidance of doubt, such rights shall include the right to provide Materials to Academic Partners under limited material transfer agreement with substantially similar terms to those set out in Schedule 3.

2.4.3 In no event, however, shall Southampton or CRT have the right to conduct Sponsored Research relating to the Patents, Know-How or Materials in the Field and/or the Licensed Products.

2.4.4 Except for the licenses expressly granted by this Clause 2, Southampton reserves all its rights. For the avoidance of doubt, such reservation of rights includes the exclusive right for Southampton and its Affiliates to use, license and sublicense Patents, Know-how and Materials for the research and development, manufacture, having manufactured, use, import, offer for sale and sale, of pharmaceutical product solely in the Southampton Field.

2.5 Celldex shall ensure that all of the Licensed Products marketed by it and its sub-licensees are of satisfactory quality and comply with all applicable laws and regulations in each part of the Territory.

3 Know-how and Confidential Information

3.1 Southampton shall transfer the Know-how to Celldex within eight (8) months after the

Effective Date ("Transfer Period"). Celldex and Southampton shall cooperate in arranging meetings as reasonably necessary for the effective transfer of the Know-how. On conclusion of the Transfer Period Celldex shall confirm in writing to Southampton that transfer of the Know-how is

complete, or provide details to Southampton of any outstanding Know-how which Celldex considers to have not been transferred. Southampton shall thereafter have thirty (30) days to transfer such outstanding Know-how to Celldex, or confirm to Celldex that no such Know-how exists (together with the Transfer Period, the "Extended Transfer Period").

3.2 Celldex acknowledges that the Know-how is at an early stage of development. Accordingly, specific results cannot be guaranteed and any results, materials, information or other items (together "Delivered Items") provided under this Agreement are provided "as is" and without any express or implied warranties, representations or undertakings. As examples, but without limiting the foregoing, Southampton gives no warranty that Delivered Items are of merchantable or satisfactory quality, are fit for any particular purpose, comply with any sample or description, or are viable, uncontaminated, safe or non-toxic, provided that Southampton will notify Celldex prior to transferring such Delivered Items to Celldex of any dangerous or harmful properties of such Delivered Items actually known by Southampton at the time of such transfer.

3.3 Celldex undertakes that for a period of 10 years from the Effective Date or for so long as any substantial part of the Know-how remains subject to the obligations of confidence of Clause 3.4, whichever is the shorter, it shall protect the Know-how as Confidential Information and shall not use the Know-how for any purpose except as expressly licensed hereby and in accordance with the provisions of this Agreement.

3.4 Each Party ("Receiving Party") undertakes:

3.4.1 to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the other Party ("Disclosing Party") in the course of or in anticipation of this Agreement and to respect the Disclosing Party's rights therein;

3.4.2 to use the same exclusively for the purposes of this Agreement;

3.4.3 to disclose the same only to those of its employees, directors, Affiliates, advisors, contractors and sub-licensees pursuant to this Agreement (if any) to whom and to the extent that such disclosure is reasonably necessary for the purposes of this Agreement; and

3.4.4 to procure that each of its employees, directors, Affiliates, advisors, contractors and sub-licensees are bound by appropriate confidentiality and non-use obligations in respect of Confidential Information belonging to the other Party.

3.5 The provisions of Clause 3.4 shall not apply to Confidential Information which the Receiving Party can demonstrate by reasonable, written evidence:

3.5.1 was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party and at its free disposal; or

3.5.2 is subsequently disclosed to the Receiving Party without any obligations of confidence by a Third Party without any obligation of confidence to the Disclosing Party and who has not derived it directly or indirectly from the Disclosing Party; or

3.5.3 is or becomes generally available to the public through no act or default of the Receiving Party or its agents, employees, Affiliates or sub-licensees; or

3.5.4 the Receiving Party is required to disclose to the courts of any competent jurisdiction, or to any government regulatory agency or financial authority, provided that the Receiving Party shall (i) inform the Disclosing Party as soon as is reasonably practicable, and (ii) at the Disclosing Party's request seek to persuade the court, agency or authority to have the information treated in a confidential manner, where this is possible under the court, agency or authority's procedures.

3.6 Southampton may disclose the existence and terms of this Agreement without prior approval to Tenovus, registered charity number 1054015 and Cancer Research Technology the technology transfer company wholly owned by Cancer Research UK, registered charity number 4325234 and any other third Party(ies) who have funded some or all of the development of the Intellectual Property, and whose consents are required for Southampton to enter into this Agreement, provided that Tenovus and such other Third Party(ies) are bound by appropriate confidentiality and non-use obligations in respect of Confidential Information under this Agreement.

4 Payments

4.1 In consideration for the rights granted hereunder, during the Term and subject to Clause 4.4, Celldex shall pay to Southampton:

4.1.1 Within thirty (30) days after the Effective Date an upfront license fee in the amount of **[*]**;

4.1.2 The sum of **[*]** within thirty (30) days after the initial human dosing study of the first Licensed Product to achieve such milestone in the Field;

4.1.3 The sum of **[*]** within thirty (30) days after the first human dosing in the first phase II study of the first Licensed Product to achieve such milestone in the Field;

4.1.4 The sum of **[*]** within thirty (30) days after the first human dosing in the first phase III study of the first Licensed Product to achieve such milestone in the Field;

4.1.5 The sum of **[*]** within thirty (30) days after the first submission for regulatory approval in the Territory with respect to the first Licensed Product to achieve such milestone in the Field .

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4.1.6 The sum of **[*]** within thirty (30) days after the first commercial sale of the first Licensed Product to achieve such milestone in the Field.

For the avoidance of doubt each of the sums due under Sections 4.1.2-4.1.6 shall be payable only once, on the first Licensed Product in the Field to achieve each given milestone of Sections 4.1.2-4.1.6

4.2 During the Term, Celldex shall pay to Southampton on a country-by-country and Licensed Product-by-Licensed Product basis (i) a royalty of **[*]** of Net Sales Value of all Licensed Products Covered by at least one Valid Claim of the Patents, or (ii) a royalty of **[*]** of Net Sales Value of all Licensed Products that are not Covered by at least one Valid Claim of the Patents and, incorporates or makes use of any Know-how which remains subject to the provisions of Clause 3.4 hereof or incorporates or makes use of any Materials, sold or otherwise supplied by Celldex, its Affiliates and/or its sub-licensees. For avoidance of doubt, the royalties payable under these Sections 4.2(i) and 4.2(ii) are mutually exclusive, and only one or the other, but not both, may be payable on the sale of a given Licensed Product.

4.3 During the Term, and subject to Clause 4.4, Celldex shall pay to Southampton on a country-by-country and Licensed Product-by-Licensed Product basis (i) a royalty of **[*]** of Net Receipts received with respect to all Licensed Products sublicensed hereunder and Covered by at least one Valid Claim of the Patents, or (ii) a royalty of **[*]** of Net Receipts received with respect to all Licensed Products sublicensed hereunder and not Covered by at least one Valid Claim of the Patents and which incorporates or makes use of any Know-how which remains subject to the provisions of Clause 3.4 hereof or incorporates or makes use of any Materials. For avoidance of doubt, the royalties payable under these Sections 4.3(i) and 4.3(ii) are mutually exclusive, and only one or the other, but not both, may be payable with respect to such Licensed Products sublicensed hereunder.

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4.4 In the event any of the milestone events set forth in Clauses 4.1.2-4.1.6 above are first achieved by a sub-licensee of Celldex or its Affiliates, the amount payable to Southampton by Celldex will be the greater of (i) the milestone amount set forth in the applicable Section 4.1.2-4.1.6, or (ii) the amount payable to Southampton under Clause 4.3 on the Net Receipts received by Celldex from such sub-licensee as a result of such sub-licensee first achieving such milestone.

4.5 No lump sum payments shall be refundable or creditable against any other sum or lump sum payable by Celldex for any reason

4.6 Non-monetary consideration:

4.6.1 Where Net Receipts are in the form of freely-transferable shares in the share capital of a sub-licensee, Celldex shall pay the royalty due under this Agreement on such Net Receipts by causing the appropriate percentage number of such freely-transferable shares to be transferred to, and registered in the name of Southampton.

4.7 Royalties to Third Parties.

In the event that Celldex is obligated to pay a royalty to a Third Party in order to avoid infringement arising from the manufacture, having manufactured, sale, offer for sale, use or importation of Licensed Products, then Celldex shall be entitled to offset **[*]** of such royalties paid to such Third Parties against the royalty payable to Southampton under this Clause 4 provided that in no event shall the royalties payable to Southampton under Clause 4 be reduced by more than **[*]** of the royalty that would have been payable in the absence of this clause on Net Sales Value in the aggregate. The deductions referred to in this Clause shall only be made where the infringement of the Third Party patent arises from the use of the inventions claimed in the Patents, and not from the use of any other intellectual property that Celldex chooses to use in the manufacture and sale of any Licensed Product.

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4.8 Floor on reductions.

In no event shall the reductions of royalty provided for under this Agreement result in the royalty payable to Southampton in respect of any individual royalty-bearing Licensed Product being reduced below (i) **[*]** of Net Sales Value for a royalty payable under Section 4.2(i), or **[*]** of Net Sales Value for a royalty payable under Section 4.2(ii).

4.9 Payment frequency.

Royalties due under this Agreement shall be paid within 60 days of the end of each year ending on 30 June, in respect of sales of Licensed Products made and Net Receipts generated during such Sales Year and shall continue to pay royalties at such intervals until no further royalties are due following termination as set out in Clause 8. For the avoidance of doubt if sales commence during a Sales Year then royalties shall be due and payable on the first 30 June following the commencement of sales for that part of the Sales Year to which sales relate.

4.10 Celldex shall make the payments due to Southampton in pounds sterling. Where Celldex receives payment in a currency other than pounds sterling, Celldex shall convert the relevant sum due to Southampton into pounds sterling. Celldex shall use the conversion rate of such other currency as quoted by National Westminster Bank plc in London as at the close of business on the last business day of the Sales Year with respect to which the payment is made. If by law, regulation, or fiscal policy of a particular country, conversion into pound sterling or transfer of funds of a convertible currency to the United Kingdom is restricted or forbidden, Celldex shall give Southampton prompt notice in writing and shall pay the royalty and other amounts due through such means or methods as are lawful in such country as Southampton

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may reasonably designate. Failing the designation by Southampton of such lawful means or methods within thirty (30) days after such notice is given by Celldex, Celldex shall deposit such royalty payment or other amount in local currency to the credit of Southampton in a recognized banking institution selected by Celldex and identified in a written notice to Southampton, and such deposit shall fulfil all obligations of Celldex to Southampton with respect to such royalties payment or other amount.

4.11 All sums due under this Agreement:

4.11.1 shall be inclusive of any income tax or other charges or taxes, excluding Value Added Tax, and shall not be increased beyond the sums described in Clauses 4.1-4.3 to offset any income tax or other charges or taxes, that are to be paid by Southampton, provided, however, that Celldex may deduct from such sums due under this Agreement any withholding or other taxes or charges as Celldex is required to deduct to comply with applicable laws. The Parties shall cooperate and take all steps reasonably and lawfully available to them to avoid deducting such taxes or other charges and to obtain double taxation relief. If Celldex is required to make any such deduction it shall provide Southampton with such certificates or other documents as it can reasonably obtain to enable Southampton to obtain appropriate relief from double taxation of the payment in question;

4.11.2 shall be made by the due date, failing which Southampton may charge interest on any outstanding amount on a daily basis at a rate equivalent to 3% per annum above the National Westminster Bank plc base lending rate then in force in London.

4.12 Celldex shall:

4.12.1 keep at its normal place of business detailed and up to date records and accounts showing the quantity, description and value of Licensed Products sold by it, and the amount of sublicensing revenues received by it in respect

of Licensed Products, on a country by country basis, and being sufficient to ascertain the payments due under this Agreement. Such records and accounts shall be kept for six (6) years following the end of the year to which they relate.

4.12.2 make such records and accounts available, on reasonable notice, for inspection no more than once per calendar year during business hours by an independent certified public accountant appointed by Southampton and reasonably acceptable to Celldex for the purpose of verifying the accuracy of any statement or report given by Celldex to Southampton under this clause 4. The accountant shall be required to keep confidential all information learnt during any such inspection, and disclose to Southampton only such details as may be necessary to report on the accuracy of Celldex' statement or report. Southampton shall be responsible for the accountant's charges unless the accountant certifies that there is an underpayment of five percent or more in any royalty statement, in which case Celldex shall pay his charges in respect of that inspection.

4.12.3 Ensure that Southampton has the same rights as those set out in this Clause 4.12 in respect of any sub-licensees of Celldex which is sub-licensed under the Patents or Know-how pursuant to this Agreement.

4.13 All payments made to Southampton under this Agreement shall be made to the following bank account, details of which may change from time to time on written notice from Southampton to Celldex:

Fortis Bank SA/NV UK Branch
Account: 35962001
Sort Code 40-52-62
IBAN GB54GEBA40526235962001
Swift GEBAGB22

And include the following reference: 3332

5 Commercialisation

5.1 Celldex shall use Diligent and Reasonable Efforts to develop and commercially exploit at least one Licensed Product in the Field and Territory.

5.2 Without prejudice to the generality of Celldex's obligations under Clause 5.1, Celldex shall provide every six months to Southampton an updated, written development plan, showing all past, current and projected activities taken or to be taken by Celldex to bring Licensed Products to market and maximise the sale of Licensed Products in the Territory. The first plan shall be due on the 30th of June following the Effective Date and then 31st December and the 30th of June each year thereafter until this Agreement is terminated. Receipt of any such plan by Southampton shall not be taken to waive or qualify Celldex's obligations under Clause 5.1.

5.3 Celldex shall be exclusively responsible for the technical and commercial development and manufacture of Licensed Products and for incorporating any modifications or developments thereto that may be necessary or desirable and for all Licensed Products sold or supplied, and accordingly Celldex shall indemnify the Southampton Indemnitees in the terms of Clause 7.3.1. It may, however, subcontract or sub-license such activities in accordance with accepted industrial practices.

5.4 In the event that Celldex fails to materially comply with the obligations set forth in Section 5.1, such failure will be deemed to be a material breach of this Agreement subject to the termination provisions of Sections 8.2.1 and 8.2.1.1, provided however that Celldex shall have ninety (90) days to remedy such breach or to otherwise negotiate with Southampton a mutually acceptable schedule to fulfil the diligence obligations of Section 5.1, and Southampton agrees that its acceptance of such a schedule shall not be unreasonably withheld or delayed.

6 Intellectual Property

6.1 From the Effective Date Southampton shall be responsible for the prosecution and maintenance of the Patents and Celldex shall reimburse Southampton for future and ongoing costs and expenses incurred in such prosecution and maintenance of the

Patents within fourteen days of notification in writing from Southampton setting out such costs and expenses. Celldex agrees to reimburse such reasonable costs and expenses up to a total of **[*]** per year. Reimbursement of any such costs and expenses in excess of a total of **[*]** in any given calendar year will be subject to the prior written agreement of Celldex, which will not unreasonably be refused.

6.2 Southampton shall:

6.2.1 endeavour to obtain granted patents in the name of Southampton pursuant to each of the Patents;

6.2.2 subject to clause 6.2.4, consult with Celldex regarding which national territories to pursue and comply with reasonable requests of Celldex on which such territories to pursue and choice of patent counsel, and Southampton shall not discontinue prosecution of any of the Patents in any territory without Celldex's consent provided that Celldex provide Southampton with requests not to file or to discontinue prosecution of any of the Patents in any territory within 14 days of Southampton consulting Celldex.

6.2.3 subject to clause 6.2.4, consult with Celldex in relation to all changes to patent claims or specifications that would have the effect of reducing or limiting the extent of the patent coverage and comply with reasonable requests of Celldex in connection with any such changes;

6.2.4 Southampton shall keep Celldex fully-informed of the status of the Patents and will promptly provide Celldex with copies of all substantive documentation submitted to, or received from, the patent offices or other authority in connection therewith. With respect to any substantive submissions or elections that Southampton is required to or otherwise intends to submit to a patent office or other authority, Southampton shall provide a draft of such submission to Celldex

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at least thirty (30) days prior to the deadline for or the intended filing date of such submission, whichever is earlier (or as soon as possible if Southampton has less than thirty (30) days' notice of a deadline for submission). Celldex shall have the right to review and comment upon any such submission by Southampton to a patent office, and will provide such comments, if any, no later than ten (10) days prior to the applicable deadline or intended filing date. Southampton shall consider in good faith all comments provided by Celldex. If Southampton disagrees with any comment provided by Celldex, Southampton shall provide Celldex with an explanation for such disagreement. If Celldex does not accept Southampton's explanation, then Celldex shall have final decision-making authority with respect to any Patent containing any claims that relate solely to the Field or to a Licensed Product, provided, however, that if Celldex decides to abandon prosecution of any potentially patentable claims in an application, Southampton may file such claims in any available further application at its own cost and expense.;

6.2.5 pay all official fees in respect of the Patents as and when due;

6.2.6 In the event that Celldex elects not to reimburse Southampton for any of its reasonable costs and expenses in filing, prosecuting or maintaining any of the Patents (an "Unsupported Patent") in any of the United States, France, Germany, Italy, Spain, United Kingdom, China, India, Canada or Japan (each, a "Major Market Country"), and provided that such Unsupported Patent is unrelated to any Patents which Celldex continues to support in such Major Market Country, then the license granted to Celldex under 2.1.1 shall terminate forthwith solely with respect to such Unsupported Patent in such unsupported Major Market Country only. For the avoidance of doubt, Southampton shall be free to undertake such filing, prosecution or maintenance at its own expense, and dispose of such rights, in such Unsupported Patent in such unsupported Major Market Country only at its sole discretion. In the event that Celldex elects not to reimburse Southampton for an Unsupported Patent in any country other than a Major Market Country (each, a "non-Major Market Country"), and provided that such Unsupported Patent is unrelated to any Patents which Celldex continues to support in such

non-Major Market Country, then the license granted to Celldex under 2.1.1 shall become non-exclusive forthwith solely with respect to such Unsupported Patent in such unsupported non-Major Market Country only. For the avoidance of doubt, Southampton shall be free to undertake such filing, prosecution or maintenance at its own expense in such Unsupported Patent in such unsupported non-Major Market Country only at its sole discretion.

6.2.7 The Parties shall cooperate with each other in obtaining patent term extension, such as extension under 35 U.S.C. § 156, patent term restoration or supplemental protection certificates or their equivalents in any country in the Territory where applicable to Patents exclusively licensed to Celldex under this Agreement.

6.3 Infringement of the Patents

6.3.1 Each Party shall inform the other Party promptly if it becomes aware of any infringement or potential infringement of any of the Patents to which Celldex has a current license under the terms of this Agreement, and the Parties shall consult with each other to decide the best way to respond to such infringement

6.3.2 If the Parties fail to agree on a joint programme of action, including how the costs of any such action are to be borne and how any damages or other sums received from such action are to be distributed, then Celldex shall be entitled to take action against the Third Party at its sole expense, subject to the following provisions of this Clause 6.

6.3.3 Before starting any legal action under Clause 6, Celldex shall consult with Southampton as to the advisability of the action or settlement, its effect on the good name of Southampton, the public interest, and how the action should be conducted.

6.3.4 Celldex shall reimburse Southampton for any reasonable expenses incurred in assisting it in such action. Celldex shall pay Southampton royalties, in

accordance with Clause 4, on any compensatory damages received from such action as if such damages were Net Sales Value on the sale of Licensed Products or Net Receipts, depending on the nature of the payment. Celldex shall retain any enhanced damages or attorneys fees received from such action.

6.3.5 Celldex shall have the right to join Southampton to any suit, at Celldex's own expense, to enforce such rights if necessary to establish standing to bring such suit, subject to being indemnified and secured in a reasonable manner as to any costs, damages, expenses or other liability, and Southampton shall have the right to be separately represented by its own counsel at its own expense. In addition, Southampton reserves the right to join in any suit, at Southampton's own expense, to enforce such rights.

6.4 Infringement of Third Party rights

6.4.1 If any warning letter or other notice of infringement is received by a Party, or legal suit or other action is brought against a Party, alleging infringement of Third Party rights in the manufacture, use or sale of any Licensed Product or use of any Patents, that Party shall promptly provide full details to the other Parties, and the Parties shall discuss the best way to respond.

6.4.2 Celldex shall have the right but not the obligation to defend such suit and shall have the right to settle with such Third Party, provided that if any action or proposed settlement involves the making of any statement, express or implied, concerning the validity of any Patent, the consent of Southampton must be obtained before taking such action or making such settlement, such consent not to be unreasonably withheld or delayed.

7 Warranties

7.1 Southampton warrants and undertakes as follows:

7.1.1 Under the terms of the employment contracts between Southampton and its

employees, Southampton owns, or in the case of Know-how at the time of transfer to Celldex of such Know-how shall own, such employees' entire right, title and interest in the rights under the Patents, Know How and Materials, that it has entered into the CRT Agreement, a true copy of which is attached hereto as Schedule 2, that the CRT Agreement is in full force and effect, that neither party to the CRT Agreement is in breach of that agreement, and to Southampton's knowledge there are no current facts or circumstances that would give rise to a claim of breach of the CRT Agreement by either party to that agreement, and that so far as it is aware having undertaken reasonable diligence, it has the right and authority to license the Patents, Know How and Materials and enter into this Agreement;

7.1.2 It has not done, and shall not do nor agree to do during the continuation of this Agreement any of the following things if to do so would be inconsistent with the exercise by Celldex of the rights granted to it under this Agreement, namely:

7.1.2.1 other than as stated herein, grant or agree to grant any rights in the Patents in the Field in the Territory with the exception of the provisions of Clause 6.2.6 above.

7.1.2.2 assign, mortgage, charge or otherwise transfer any of the Patents in the Territory or any of its rights or obligations under this Agreement, with the exception of the provisions of Clause 6.2.6 above.

7.1.3 As of the Effective Date, Southampton and CRT are the sole registered proprietors and sole owners of the Patents and such Patents are free from any claims or encumbrances except as expressly stated herein; under the CRT Agreement, Southampton is solely and beneficially entitled to the Patents free from any claims or encumbrances whatsoever (subject to 7.2); Southampton has full right, power and authority to grant the licenses granted by it under this Agreement and to enter into and perform its obligations under this Agreement, and except for the CRT Agreement, neither Southampton nor CRT has any agreement or arrangement (including any licenses of right and/or compulsory

license or any other permissions), nor subject to Clause 2.4, will enter into any such agreement or arrangement with a Third Party with respect to use of or interest in such Patents in the Field during the continuation of this Agreement. Southampton hereby undertakes that it shall not, during the term of this Agreement, modify, amend, terminate or allow termination of the CRT Agreement.

7.1.4 As of the Effective Date, Southampton and CRT are the sole registered proprietors and sole owners and are beneficially entitled to any relevant Know-How in existence as of the Effective Date and Materials, Southampton has full right, power and authority to grant the licenses granted by it under this Agreement and to enter into and perform its obligations under this Agreement, and, except as set forth in Clause 7.1.6, Southampton does not have, and subject to Clause 2.4, will not enter into during the continuation of the Agreement, any agreement or arrangement (including any licenses of right and/or compulsory license or any other permissions) with a Third Party with respect to use of or interest in such Know How and Materials in the Field. With respect to Know-how arising after the Effective Date and during the Extended Transfer Period, Southampton shall seek to obtain all rights necessary to enable the grant of the license set out in Clause 2.1.2. Southampton shall ensure that such rights are obtained by Southampton prior to any transfer of such Know-how to Celldex.

7.1.5 As of the Effective Date it is not aware of any prior art, other than that already disclosed to Celldex in writing in the form of the Due Diligence Report, prepared by Hunton and Williams and dated July 31 2006, and UK Patent Office Search Report, which could have a material effect on the allowability or validity of the Patents. As of the Effective Date no Third Party has notified Southampton in writing that any of the Patents are invalid or unenforceable.

7.1.6 As of the Effective Date, it has granted three Material Transfer Agreements for the Know-How and Material to academic institutions for research purposes only. True copies of which are attached hereto as Schedule 3.

7.1.7 As of the Effective Date and having made no specific enquiry, it is not aware and has not been notified that practice of the Patents or commercialisation of Licensed Products infringes or would infringe the rights of any Third Party

7.1.8 As of the Effective Date and so far as it is aware, having made no specific enquiry of any Third Party, there is no subsisting infringement by any Third Party of any of the Patents or other Intellectual Property assigned or licensed under this Agreement.

7.2 No other warranties

7.2.1 Southampton and Celldex acknowledge that, in entering into this Agreement, it does not do so in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by statute or common law are excluded from this Agreement to the fullest extent permitted by law.

7.2.2 Without limiting the scope of clause 7.2.1 above and except as set forth in clause 7.2.1 above, Southampton does not make any representation nor give any warranty or undertaking except to the extent set forth above:

7.2.2.1 as to the efficacy or usefulness of the Intellectual Property; or

7.2.2.2 that any of the Patents is or will be valid or subsisting or (in the case of an application) will proceed to grant; or

7.2.2.3 that the use of any of the Intellectual Property, the manufacture, sale or use of the Licensed Products or the exercise of any of the rights granted under this Agreement will not infringe any other intellectual property or other rights of any other person; or

7.2.2.4 that the Intellectual Property or any other information communicated by Southampton to Celldex under or in connection with this Agreement will produce Licensed Products of satisfactory quality or

fit for the purpose for which Celldex intended; or

7.2.2.5 as imposing any obligation on Southampton to bring or prosecute actions or proceedings against Third Parties for infringement or to defend any action or proceedings for revocation of any of the Patents; or

7.2.2.6 as imposing any liability on Southampton in the event that any Third Party supplies Licensed Products to customers located in the Territory.

7.3 Indemnity

7.3.1 Celldex shall indemnify and hold harmless Southampton, CRT and Tenovus and their Affiliates, and respective officers, directors, Council members, employees, researchers and representatives (together, the "Southampton Indemnitees") against any and all Third Party Claims that may be asserted against or suffered by any of the Southampton Indemnitees and which relate to the use by Celldex or any of its sub-licensees of the Intellectual Property or otherwise in connection with the development, manufacture, use or sale of or any other dealing in any of the Licensed Products by Celldex or any of its sub-licensees, or subsequently by any customer or any other person, including Claims based on product liability laws, provided, however, that such indemnification shall not apply to any Claim to the extent directly attributable to (i) a breach by Southampton of any of the warranties or representations set forth in Clause 7.1; (ii) negligent activities or intentional misconduct of the Southampton Indemnitees, or (iii) the settlement of a claim, suit, action, or demand by Southampton Indemnitees without the prior approval of Celldex. In addition, Celldex shall put in place (prior to first commercial sale of a Licensed Product) product indemnity insurance in an amount not less than **[*]**

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for injuries to any one person arising out of a single occurrence or for injuries to all persons arising out of a single occurrence which shall last for the term of this agreement and extend for at least 6 years after expiry or termination of this Agreement and shall send a copy of such insurance documentation to Southampton.

7.3.2 Southampton shall indemnify Celldex and its Affiliates and sub-licensees and their respective officers, directors, employees, researchers and representatives (together, the "Celldex Indemnitees") against all Third Party Claims that may be asserted against or suffered by any of the Celldex Indemnitees arising solely out of breach by Southampton or its Affiliates of the representations and warranties of Clause 7.1, provided, however, that such indemnification shall not apply to any Claim to the extent directly attributable to (i) negligent activities or intentional misconduct of the Celldex Indemnitees, or (ii) the settlement of a claim, suit, action, or demand by Celldex Indemnitees without the prior approval of Southampton.

7.3.3. As a condition precedent to a Party's (the "Indemnifying Party") obligations to indemnify, defend and hold harmless any Southampton Indemnitee or Celldex Indemnitee (collectively, an "Indemnified Party") pursuant to Clause 7.3.1 or 7.3.2 above, the Indemnified Party shall immediately notify in writing, and provide a copy to, the Indemnifying Party of any complaint, summons or other written or verbal notice that the Indemnified Party receives of any claim that may be subject to such obligations. An Indemnified Party's failure to deliver written notice, to the extent prejudicial to the Indemnifying Party's ability to defend such claim, shall relieve the Indemnifying Party of liability to the Indemnified Party under Clause 7.3.1 or 7.3.2 hereof, as applicable. The Indemnified Party shall allow the Indemnifying Party the control of the defence and settlement thereof, and assist in such defence and settlement as the Indemnifying Party may reasonably request in connection with the defence and settlement of the claim (at the Indemnifying Party's sole cost and expense), and the Indemnifying Party shall assume the defence thereof with counsel mutually satisfactory to the Parties; provided, that the

Indemnified Party shall have the right to participate in any such proceeding with counsel of its choosing at its own expense. No Indemnified Party may settle a claim or action covered by this Clause 7 without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, delayed or conditioned). Any payment made by an Indemnified Party in violation of this Clause 7.3.3 to settle any such claim or action shall be at its own cost and expense.

7.3.4. Limitation of liability. Except for the obligations set forth in this clause 7, and unless otherwise expressly stated in this agreement, in no event will either party be liable to the other for lost revenue, lost profits, or lost savings or any consequential, incidental, special exemplary, punitive or indirect damages to the other party, however caused, in connection with this agreement, even if the party has notice of the possibility of such damages.

8 Duration and Termination

8.1 This Agreement shall come into effect on the Effective Date and, unless terminated earlier in accordance with this Clause 8, shall continue in force on a country-by-country basis and expire on the later of (the "Term"):
(i) the date of expiration or termination of the last to expire or last to terminate Valid Claim that Covers the Licensed Products on sale in such country on such date of expiration or termination of such Valid Claim; or
(ii) the date that is ten (10) years after the date of the first commercial sale of the first Licensed Product in such country.

8.2 Early termination

8.2.1 Without prejudice to any other right or remedy, any Party may terminate this Agreement at any time by notice in writing to the other Party ("Other Party"), such notice to take effect as specified in the notice:

8.2.1.1. if the Other Party is in material breach of this Agreement and, in the

case of a breach capable of remedy within 90 days, the breach is not remedied within 90 days of the Other Party receiving notice specifying the breach and requiring its remedy; or

8.2.1.2 if: (A) the Other Party becomes insolvent or unable to pay its debts as and when they become due, (B) an order is made or a resolution is passed for the winding up of the Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction), (C) a liquidator, administrator, administrative receiver, receiver or trustee is appointed in respect of the whole or any part of the Other Party's assets or business, (D) the Other Party makes any composition with its creditors, (E) the Other Party ceases to continue its business, or (F) as a result of debt and/or maladministration the other Party takes or suffers any similar or analogous action.

8.2.2 Southampton may terminate this Agreement by giving written notice to Celldex in accordance with the provisions of Clause 5.4

8.2.3 Celldex may terminate this Agreement at any time by providing 6 months notice in writing to Southampton. A Party's right of termination under this Agreement, and the exercise of any such right, shall be without prejudice to any other right or remedy (including any right to claim damages) that such Party may have in the event of a breach of contract or other default by the other Party.

8.3 Consequences of termination

8.3.1 Upon termination of this Agreement by expiry under Clause 8.1, or by Celldex pursuant to Clause 8.2.1, the licenses granted to Celldex under Clause 2 shall become non-exclusive, perpetual, irrevocable, fully-paid up and royalty free.

8.3.2 Upon termination of this Agreement by Southampton pursuant to Clause 8.2.1 or 8.2.2, or by Celldex pursuant to Clause 8.2.3, then:

8.3.2.1 Celldex and its sub-licensees shall be entitled to sell, use or otherwise dispose of (subject to payment of royalties under Clause 4) any unsold or unused stocks of the Licensed Products for a period of 6 months following the date of termination;

8.3.2.2 subject to 8.3.2.1 above, Celldex shall no longer be licensed to use or otherwise exploit in any way, either directly or indirectly, the Patents, in so far and for as long as any of the Patents remains in force, or the Know-how;

8.3.2.3 subject to 8.3.2.1 above, Celldex shall consent to the cancellation of any formal license granted to it, or of any registration of it in any register, in relation to any of the Patents;

8.3.2.4 subject as provided in this Clause 8.3, and except in respect of any accrued rights, neither Party shall be under any further obligation to the other; and

8.3.2.5 Notwithstanding anything to the contrary contained herein, in the event the Agreement or any license right thereunder terminates for any reason other than an uncured breach by Celldex that is caused directly or indirectly by its sub-licensee, and the sub-license to such sub-licensee is in force and effect as of the date of such termination, such sub-licensee shall automatically become a direct licensee of Southampton under the terms and conditions of this Agreement, such direct license to be of the same scope licensed by Celldex to such sub-licensee under such sub-license, provided that nothing herein shall be construed to require (i) Southampton to assume obligations to such sub-licensee that are beyond those obligated to Celldex hereunder, or (ii) such sub-licensee to make any payments to Southampton that are in excess of those amounts that would have been due from Celldex to Southampton under this Agreement had this Agreement not been terminated. Southampton agrees that any

sub-licensee under this Agreement shall be deemed to be a Third Party beneficiary of the provisions of this Section 8.3.2.5 as such provisions apply to such sub-licensee. Southampton as a charitable body it retains the right to decline taking on a sub licensee as a direct licensee if that sub licensee is a Tobacco Party or involved in the weapons industry or is known to be involved in unethical business practices such as exploitation of child labour .

8.3.3 Upon termination of this Agreement by Southampton pursuant to Clause 8.2.1 or 8.2.2, then at Southampton's written request, received by Celldex within fourteen (14) days after the effective termination date, the Parties shall negotiate in good faith the terms of an agreement between them on reasonable commercial terms taking full account in such circumstances of the stage of development and Celldex's financial investment in the Licensed Products to that stage, as well as other factors, under which Celldex would:

8.3.3.1 transfer to Southampton exclusively all clinical and other data relating to the development of Licensed Products;

8.3.3.2 to the extent possible, seek to have any product licenses, pricing approvals and other permits and applications transferred into the name of Southampton or its nominee;

8.3.3.3 grant Southampton an exclusive, worldwide license, with the rights to grant sub-licenses, under any non-severable improvements and other intellectual property owned or controlled by Celldex relating to the Licensed Products; and

8.3.3.4 grant Southampton and/or its nominee the right to continue to use any product name that had been applied to the Licensed Products prior to termination of this Agreement.

8.3.4 Upon termination of this Agreement for any reason the provisions of clauses 3, 4 (solely in respect of sales made prior to termination or under clause

8.3.2(1)), 7.3, 8.3 and 9 shall remain in force. Upon expiration or termination of this Agreement pursuant to clause 8.1, or termination by Celldex pursuant to clause 8.2.1, clause 2 shall also remain in force.

9 General

9.1 Force majeure

No Party shall have any liability or be deemed to be in breach of this Agreement for any delays or failures in performance of this Agreement which result from circumstances beyond the reasonable control of that Party, including without limitation labour disputes involving that Party. The Party affected by such circumstances shall promptly notify the other Parties in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

9.2 Severability

If any provision of this Agreement is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable then the remaining provisions of this Agreement shall continue in full force and effect. The judicial or other competent authority making such determination shall have the power to limit, construe or reduce the duration, scope, activity and/or area of such provision, and/or delete specific words or phrases as necessary to render such provision enforceable.

9.3 Waiver

Failure or delay by any party to exercise any right or remedy under this Agreement shall not be deemed to be a waiver of that right or remedy, or prevent it from exercising that or any other right or remedy on that occasion or on any other occasion.

9.4 Entire Agreement and Amendments

9.4.1 This Agreement constitutes the entire Agreement and understanding of the parties relating to the subject matter of this Agreement and supersedes all

prior oral or written agreements, representations, understandings or arrangements between the parties

9.4.2 The parties acknowledge that they are not relying on any agreement, understanding, arrangement, warranty, representation or term which is not set out in this Agreement

9.4.3 Nothing in this Clause 9.4 shall operate to:

9.4.3.1 exclude any provision implied into this Agreement by law and which may not be excluded by law; or

9.4.3.2 limit or exclude any liability, right or remedy to a greater extent than is permissible under law.

9.4.4 No change may be made to this Agreement except in writing signed by the duly authorised representatives of each of the parties.

9.5 Relationship of the Parties

9.5.1 Nothing in this Agreement shall create, evidence or imply any agency, partnership or joint venture between the parties.

9.5.2 No party shall act or describe itself as an agent of any of the other parties nor shall a party represent that it has any authority to make commitments or the behalf of the other party.

9.6 Assignment and Sub-contracting

This Agreement is personal to the parties and neither party shall assign, transfer, sub-license, sub-contract, charge or otherwise deal in its rights or obligations under this Agreement except as expressly provided in the Agreement, except that Celldex may assign or transfer its rights or obligations to any purchaser of Celldex or of the relevant business or assets of Celldex to which the rights or obligations under this Agreement relate.

9.7 Interpretation.

In this Agreement:

9.7.1 the headings are used for convenience only and shall not affect its interpretation;

9.7.2 references to persons shall include incorporated and unincorporated persons; references to the singular include the plural and vice versa; and references to the masculine include the feminine;

9.7.3 references to Clauses and Schedules mean clauses of, and schedules to, this Agreement;

9.7.4 references in this Agreement to termination shall include termination by expiry; and

9.7.5 where the word “including” is used it shall be understood as meaning “including without limitation”.

9.8 Notices

9.8.1 Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail or air mail, or by fax (confirmed by first class mail or air mail) to the address of the relevant Party set out below:

Mylène Ployaert,
Assistant Director, Centre for Enterprise & Innovation,
John Fairclough Centre, Building #27
University of Southampton
Highfield, Southampton
SO17 1BJ

Celldex Research Corporation
Senior Vice President, Business Development
222 Cameron Drive
Suite 400
Phillipsburg, NJ 08865

Celldex Therapeutics, Inc.
Chief Executive Officer
119 Fourth Avenue
Needham, MA 02494-2725

9.8.2 Notices sent as above shall be deemed to have been received three working days after the day of posting (in the case of inland first class mail), or seven working days after the date of posting (in the case of air mail), or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender’s fax machine recording a message from the recipient’s fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).

9.9 Publicity

Either party has the right to publish that they have entered into this agreement and information about this agreement and the party wishing to publish such information shall send a copy to the other party for reference at least twenty four hours prior to publication.

9.10 Law and Jurisdiction.

The validity, construction and performance of this Agreement shall be governed by English law and the parties accept the exclusive jurisdiction of the English courts in respect thereto.

9.11 Further action

Each Party agrees to execute, acknowledge and deliver such further instruments, and

do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement. At the request of Celldex, Southampton agrees to execute any such further documents or other instruments as may be necessary to register or record the exclusive licenses herein at any and all Patent Offices as may be deemed appropriate by Celldex in its discretion, and Southampton shall cooperate with Celldex as necessary to effect such registration or recordal.

9.12 Third parties

Except for the rights of CRT as provided in Clause 2.4, the rights of the Southampton Indemnitees as provided in Clause 7.3 and the rights of sub-licensees under Clause 8.3.2.5, which may be enforced by those persons in their own right, this Agreement does not create any right enforceable by any person who is not a party to it (“Third Party”) under the Contracts (Rights of Third Parties) Act 1999, but this Clause does not affect any right or remedy of a Third Party which exists or is available apart from that Act. The Parties may amend, renew, terminate or otherwise vary all or any of the provisions of this Agreement, including Clauses 7.3 and 8.3.2.5, without the consent of the Indemnitees.

[The Remainder of this Page Intentionally Left Blank]

AGREED by the Parties through their authorised signatories:-

For and on behalf of **For and on behalf of**

University of Southampton

/s/ Sue Sundstrom
Signed

Sue Sundstrom
Print Name

Director, Life Science Enterprise
Title

24 November 2008
Date

Celldex Therapeutics, Inc.

/s/ Anthony S. Marucci
Signed

Anthony S. Marucci
Print Name

President and CEO
Title

November 11, 2008
Date

For and on behalf of

Celldex Research Corporation

/s/ Anthony S. Marucci
Signed

Anthony S. Marucci
Print Name

President and CEO
Title

November 11, 2008
Date

SCHEDULE 1

Part A — Patents

[*]
[*]

Part B — Materials and Know-how

Materials to include: [*]

Know-How to include:

Know-how in developing functional **[*]** that is:

1) **[*]**

2) [*]

3) [*]

4) [*]

5) [*]

AND excluding any generic methods or information which have applications outside the Field.

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SCHEDULE 2

CRT AGREEMENT

SCHEDULE 3

MTA’s

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Exhibit 21.0

LIST OF SUBSIDIARIES

Name	State of Incorporation
Celldex Research Corporation	Delaware
Megan Health, Inc.	Delaware
Celldex Therapeutics, Ltd.	United Kingdom

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-151728 and 333-117602) and on Form S-3 (File No. 333-143112) of Celldex Therapeutics, Inc. (formerly known as AVANT Immunotherapeutics, Inc.) of our report dated March 2, 2009 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
March 2, 2009

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Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Celldex Therapeutics, Inc. of our report dated May 7, 2008, with respect to the consolidated financial statement of Celldex Therapeutics, Inc., included in the 2008 Annual Report to Shareholders of Celldex Therapeutics, Inc. We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-143112) of Celldex Therapeutics, Inc.,

(2) Registration Statement (Form S-8 No. 333-151728) pertaining to the 2008 Stock Option and Incentive Plan of Celldex Therapeutics, Inc.,

(3) Registration Statement (Form S-8 No. 333-117602) pertaining to the Registration of Series C-1 Junior Participating Cumulative Preferred Stock of Celldex Therapeutics, Inc.,

of our reports dated May 7, 2008 with respect to the consolidated financial statements of Celldex Therapeutics, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2008.

/s/ ERNST & YOUNG LLP

MetroPark, New Jersey
March 2, 2009

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Exhibit 31.1

CERTIFICATION

I, Anthony S. Marucci, certify that:

1. I have reviewed this annual report on Form 10-K 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 the 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: March 2, 2009 By: /s/ ANTHONY S. MARUCCI

Name: Anthony S. Marucci
Title: *President and Chief Executive Officer*

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Exhibit 31.2

CERTIFICATION

I, Avery W. Catlin, certify that:

1. I have reviewed this annual report on Form 10-K 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 the 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: March 2, 2009

By: /s/ AVERY W. CATLIN

Name: Avery W. Catlin
Title: *Senior Vice President and Chief Financial Officer*

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Exhibit 32

The undersigned officers of Celldex Therapeutics, Inc. (the "Company") hereby certify to our knowledge that the Company's annual report on Form 10-K to which this certification is attached (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, 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: March 2, 2009 By: /s/ ANTHONY S. MARUCCI

Name: Anthony S. Marucci
Title: *President and Chief Executive Officer*

Date: March 2, 2009 By: /s/ AVERY W. CATLIN

Name: Avery W. Catlin
Title: *Senior Vice President and Chief Financial Officer*

This certification shall be 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.

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