Celldex Therapeutics, Inc.
Form 10-Q
May 03, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2013

OR

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

Commission File Number: 000-15006

CELLDEX THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

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

119 Fourth Avenue, Needham, Massachusetts 02494

(Address of principal executive offices) (Zip Code)

(781) 433-0771

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

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

Large accelerated filer o	Accelerated filer x
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 Exchange Act). Yes o No x

As of April 24, 2013, 80,870,320 shares of common stock, $.001 par value per share, were outstanding.

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CELLDEX THERAPEUTICS, INC.

FORM 10-Q

Quarter Ended March 31, 2013

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PART I FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements

CELLDEX THERAPEUTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share and per share amounts)

	March 31, 2013	December 31, 2012
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 75,627	$ 24,897
Marketable Securities	106,750	59,065
Accounts and Other Receivables	104	44
Prepaid and Other Current Assets	1,972	1,108
Total Current Assets	184,453	85,114
Property and Equipment, Net	7,131	7,205
Intangible Assets, Net	23,580	23,833
Other Assets	236	424
Goodwill	8,965	8,965
Total Assets	$ 224,365	$ 125,541
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts Payable	$ 2,451	$ 745
Accrued Expenses	9,692	10,960
Current Portion of Long-Term Liabilities	557	388
Current Portion of Term Loan	5,630	5,592
Total Current Liabilities	18,330	17,685
Term Loan, less Current Portion	4,426	5,746
Other Long-Term Liabilities	6,668	6,336
Total Liabilities	29,424	29,767
Commitments and Contingent Liabilities (Note 13)		
Stockholders Equity:		
Convertible Preferred Stock, $.01 Par Value; 3,000,000 Shares Authorized; No Shares Issued and Outstanding at March 31, 2013 and December 31, 2012		
Common Stock, $.001 Par Value; 297,000,000 Shares Authorized; 80,870,320 and 64,359,513 Shares Issued and Outstanding at March 31, 2013 and December 31, 2012, respectively	81	64
Additional Paid-In Capital	473,632	357,094

Accumulated Other Comprehensive Income		2,689		2,745
Accumulated Deficit		(281,461)		(264,129)
Total Stockholders Equity		194,941		95,774
Total Liabilities and Stockholders Equity	$	224,365	$	125,541

See accompanying notes to unaudited condensed consolidated financial statements

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CELLDEX THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended	
	March 31, 2013	**March 31, 2012**
REVENUE:		
Product Development and Licensing Agreements	$ 30	$ 35
Contracts and Grants	50	54
Product Royalties	2,334	2,344
Total Revenue	2,414	2,433
OPERATING EXPENSE:		
Research and Development	14,090	10,769
Royalty	2,334	2,344
General and Administrative	3,138	2,317
Amortization of Acquired Intangible Assets	253	291
Total Operating Expense	19,815	15,721
Operating Loss	(17,401)	(13,288)
Investment and Other Income, Net	379	205
Interest Expense	(310)	(433)
Net Loss	$ (17,332)	$ (13,516)
Basic and Diluted Net Loss Per Common Share (Note 3)	$ (0.23)	$ (0.27)
Shares Used in Calculating Basic and Diluted Net Loss per Share (Note 3)	74,027	50,145
COMPREHENSIVE LOSS:		
Net Loss	$ (17,332)	$ (13,516)
Other Comprehensive (Loss) Income:		
Foreign Currency Translation Adjustments	(2)	2
Unrealized (Loss) Gain on Marketable Securities	(54)	108
Comprehensive Loss	$ (17,388)	$ (13,406)

See accompanying notes to unaudited condensed consolidated financial statements

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CELLDEX THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)

	Three Months Ended	
	March 31, 2013	**March 31, 2012**
Cash Flows from Operating Activities:		
Net Loss	$ (17,332)	$ (13,516)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization	468	544
Amortization of Intangible Assets	253	291
Amortization and Premium of Marketable Securities	(1,324)	(373)
Realized Gain on Sales and Maturities of Marketable Securities		(4)
Loss on Sales or Disposal of Assets		23
Stock-Based Compensation Expense	708	641
Non-Cash Interest Expense	56	57
Changes in Operating Assets and Liabilities:		
Accounts and Other Receivables	(60)	30
Prepaid and Other Current Assets	(879)	(672)
Other Assets	188	(131)
Accounts Payable and Accrued Expenses	206	(1,049)
Other Liabilities	516	606
Net Cash Used in Operating Activities	(17,200)	(13,553)
Cash Flows from Investing Activities:		
Sales and Maturities of Marketable Securities	7,394	5,912
Purchases of Marketable Securities	(53,809)	(33,388)
Acquisition of Property and Equipment	(162)	(42)
Proceeds from Sales or Disposal of Assets		11
Net Cash Used in Investing Activities	(46,577)	(27,507)
Cash Flows from Financing Activities:		
Net Proceeds from Stock Issuances	114,187	51,929
Proceeds from Issuance of Stock from Employee Benefit Plans	1,660	
Payments of Term Loan	(1,323)	
Payments of Other Liabilities	(15)	(15)
Net Cash Provided by Financing Activities	114,509	51,914
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2)	2
Net Increase in Cash and Cash Equivalents	50,730	10,856
Cash and Cash Equivalents at Beginning of Period	24,897	11,899
Cash and Cash Equivalents at End of Period	$ 75,627	$ 22,755

See accompanying notes to unaudited condensed consolidated financial statements

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CELLDEX THERAPEUTICS, INC.

Notes to Unaudited Condensed Consolidated Financial Statements

March 31, 2013

(1) Basis of Presentation

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

These interim financial statements do not include all the information and footnotes required by U.S. GAAP for annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2012, which are included in the Company s Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 8, 2013. In the opinion of management, the interim financial statements reflect all normal recurring adjustments necessary to fairly state the Company s financial position and results of operations for the interim periods presented. The year-end consolidated balance sheet data presented for comparative purposes was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP.

The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for any future interim period or the fiscal year ending December 31, 2013.

At March 31, 2013, the Company had cash, cash equivalents and marketable securities of $182.4 million; working capital of $166.1 million; and a Term Loan balance of $10.1 million. The Company incurred a loss of $17.3 million for the three months ended March 31, 2013. Net cash used in operations for the three months ended March 31, 2013 was $17.2 million. The Company believes that the cash, cash equivalents and marketable securities at March 31, 2013 will be sufficient to meet estimated working capital requirements and fund planned operations for at least the next twelve months.

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

(2) Significant Accounting Policies

The significant accounting policies used in preparation of these condensed consolidated financial statements for the three months ended March 31, 2013 are consistent with those discussed in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2012, except for the adoption of new accounting standards during the first three months of 2013 as discussed below.

Recent Accounting Pronouncements

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

In January 2013, the Company adopted a new U.S. GAAP accounting standard which amended guidance applicable to annual impairment tests of indefinite-lived intangible assets. The amended guidance added an optional qualitative assessment for determining whether an indefinite-lived intangible asset is impaired. Prior to this guidance, companies were required to perform an annual impairment test that included a calculation of the fair value of the asset and a comparison of that fair value with its carrying value. If the carrying value exceeded the fair value, an impairment was recorded. The amended guidance allows a company the option to perform a qualitative assessment, considering both negative and positive evidence, regarding the potential impairment of the

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indefinite-lived intangible asset. If, based on the qualitative analysis, the company determines that it is more likely than not that the fair value of such an asset exceeds its carrying value, the company would be permitted to conclude that the indefinite-lived intangible asset was not impaired without a quantitative calculation of the fair value of the asset. Otherwise, the company would perform the quantitative calculation of the fair value and the comparison with the carrying value. The Company s adoption of this new standard did not have a material effect on its operating results or financial position.

(3) Net Loss Per Share

Basic net loss per common share is based upon the weighted-average number of common shares outstanding during the period, excluding restricted stock that has been issued but is not yet vested. Diluted net loss per common share is based upon the weighted-average number of common shares outstanding during the period plus additional weighted-average potentially dilutive common shares outstanding during the period when the effect is dilutive. The potentially dilutive common shares that have not been included in the net loss per common share calculations because the effect would have been anti-dilutive are as follows:

	As of March 31,	
	2013	**2012**
Stock options	5,085,309	4,311,999
Restricted stock	3,000	3,000
	5,088,309	4,314,999

(4) Comprehensive Loss

In January 2013, the Company adopted a new U.S. GAAP accounting standard which requires the Company to separately disclose, on a prospective basis, the change in each component of other comprehensive income (loss) relating to reclassification adjustments and current period other comprehensive income (loss). As the new guidance relates to presentation only, the adoption did not have a material impact on the Company s results of operations, financial position or cash flows. No amounts were reclassified out of accumulated other comprehensive income during the three months ended March 31, 2013. The changes in accumulated other comprehensive income (loss) by component for the three months ended March 31, 2013 are summarized below.

	Unrealized Gain (Loss) on Marketable Securities, net of tax	**Foreign Currency Items**	**Total**
		(In thousands)	
Balance at December 31, 2012	$ 156	$ 2,589	$ 2,745
Other comprehensive income (loss) before reclassifications	(54)	(2)	(56)
Amounts reclassified from other comprehensive income			
Net current-period other comprehensive income	(54)	(2)	(56)
Balance at March 31, 2013	$ 102	$ 2,587	$ 2,689

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(5) Fair Value Measurements

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

	As of March 31, 2013	Level 1	Level 2	Level 3
		(In thousands)		
Money market funds and cash equivalents	$ 75,552	$ 75,552	$	$
Marketable securities	106,750		106,750	
	$ 182,302	$ 75,552	$ 106,750	$

	As of December 31, 2012	Level 1	Level 2	Level 3
		(In thousands)		
Money market funds and cash equivalents	$ 18,688	$ 18,688	$	$
Marketable securities	59,065		59,065	
	$ 77,753	$ 18,688	$ 59,065	$

There have been no transfers of assets or liabilities between the fair value measurement classifications. The Company s financial instruments consist mainly of cash and cash equivalents, marketable securities, short-term accounts receivable, accounts payable and debt obligations. The Company values its marketable securities utilizing independent pricing services which normally derive security prices from recently reported trades for identical or similar securities, making adjustments based on significant observable transactions. At each balance sheet date, observable market inputs may include trade information, broker or dealer quotes, bids, offers or a combination of these data sources. Short-term accounts receivable and accounts payable are reflected in the accompanying consolidated financial statements at cost, which approximates fair value due to the short-term nature of these instruments. Our Term Loan is valued based on level 2 inputs. Based on these calculations, the fair value approximates the carrying value of the Term Loan and note payable at March 31, 2013.

(6) Marketable Securities

A summary of marketable securities is shown below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In thousands)		
March 31, 2013				
Marketable securities				
U.S. government and municipal obligations				
Maturing in one year or less	$ 21,016	$ 30	$	$ 21,046
Maturing after one year through three years	17,470	84	1	17,553
	$ 38,486	$ 114	$ 1	$ 38,599

Total U.S. government and municipal obligations								
Corporate debt securities								
Maturing in one year or less	$	23,909	$	24	$	10	$	23,923
Maturing after one year through three years		44,253		6		31		44,228
Total corporate debt securities	$	68,162	$	30	$	41	$	68,151
Total marketable securities	$	106,648	$	144	$	42	$	106,750

December 31, 2012								
Marketable securities								
U.S. government and municipal obligations								
Maturing in one year or less	$	15,566	$	28	$		$	15,594
Maturing after one year through three years		19,797		99		1		19,895
Total U.S. government and municipal obligations	$	35,363	$	127	$	1	$	35,489
Corporate debt securities								
Maturing in one year or less	$	17,353	$	23	$	4	$	17,372
Maturing after one year through three years		6,193		14		3		6,204
Total corporate debt securities	$	23,546	$	37	$	7	$	23,576
Total marketable securities	$	58,909	$	164	$	8	$	59,065

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The marketable securities held by the Company were high investment grade and there were no marketable securities that the Company considered to be other-than-temporarily impaired as of March 31, 2013.

(7) Intangible Assets and Goodwill

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

	Estimated Life	March 31, 2013 Cost	March 31, 2013 Accumulated Amortization	March 31, 2013 Net	December 31, 2012 Cost	December 31, 2012 Accumulated Amortization	December 31, 2012 Net
		(In thousands)					
Intangible Assets:							
IPR&D	Indefinite	$ 11,800	$	$ 11,800	$ 11,800	$	$ 11,800
Amgen Amendment	16 years	14,500	(3,139)	11,361	14,500	(2,915)	11,585
Core Technology	11 years	1,296	(877)	419	1,296	(848)	448
Total Intangible Assets		$ 27,596	$ (4,016)	$ 23,580	$ 27,596	$ (3,763)	$ 23,833
Goodwill	Indefinite	$ 8,965	$	$ 8,965	$ 8,965	$	$ 8,965

The IPR&D intangible asset was recorded in connection with the acquisition of CuraGen and relates to the development of CDX-011. At the date of acquisition, CDX-011 had not yet reached technological feasibility nor did it have any alternative future use. The Company recently completed a randomized Phase 2b study of CDX-011 for the treatment of advanced breast cancer.

(8) Term Loan

The Term Loan accrues interest at a fixed annual interest rate equal to the greater of (i) the sum of (A) the LIBOR Rate (as defined in the Loan Agreement) plus (B) 6.25%; or (ii) a minimum rate of 9.50%. In March 2012, the Company amended the Loan Agreement to extend the maturity date from December 2013 to December 2014 in return for an upfront fee of $25,000 and an additional fee of $37,500 (the Final Payment Fee) due upon repayment of the Term Loan in full. Interest on the Term Loan is payable monthly and principal is due, as amended, in equal consecutive monthly installments. All unpaid principal and accrued interest with respect to the Term Loan is due and payable on the earlier of (A) December 30, 2014 or (B) the date that the Term Loan otherwise becomes due and payable under the terms of the Loan Agreement. The Company may prepay all, but not less than all, of the Term Loan subject to a prepayment premium of 1% in year three of the Term Loan. There is no prepayment premium if the loan is paid off early in year four. The Company is also obligated to make a payment fee of $0.5 million (the Payment Fee) upon the earlier of (A) December 30, 2013 or (B) upon repayment of the Term Loan in full prior to December 30, 2013. The Company is accreting the Payment Fee ratably over the original term of the Term Loan to interest expense. Interest expense on the Term Loan including the accretion of the Payment Fee and Final Payment Fee and amortization of the deferred financing costs was $0.3 million and $0.4 million for the three months ended March 31, 2013 and 2012, respectively.

The obligations of the Company under the Loan Agreement are collateralized by a first priority lien upon and security interest in substantially all of the Company s existing and after-acquired assets, excluding its intellectual property assets. Under the Loan Agreement, the Company is subject to specified affirmative and negative covenants customary for financings of this type. The Loan Agreement provides that, upon the

occurrence of certain specified events of default customary for financings of this type, the Company s obligations under the Loan Agreement may be automatically accelerated, whereupon the Company s obligations under the Loan Agreement shall be immediately due and payable. At March 31, 2013, the Company believes it is in compliance with the Loan Agreement.

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(9) Other Long-Term Liabilities

Other long-term liabilities include the following:

	March 31, 2013	December 31, 2012
	(In thousands)	
Deferred Rent	$ 434	$ 434
Net Deferred Tax Liability related to IPR&D	4,661	4,661
Deferred Income from Sale of Tax Benefits	1,630	1,118
Loan Payable	457	472
Other	43	39
Total	7,225	6,724
Less Current Portion	(557)	(388)
Long-Term Portion	$ 6,668	$ 6,336

In January 2013, 2012 and 2011, the Company received approval from the New Jersey Economic Development Authority and agreed to sell New Jersey tax benefits worth $0.8 million, $0.8 million and $0.6 million to an independent third party for $0.8 million, $0.7 million and $0.5 million, respectively. Under the agreement, the Company must maintain a base of operations in New Jersey for five years or the tax benefits must be paid back on a pro-rata basis based on the number of years completed. During the three months ended March 31, 2013 and 2012, the Company recorded $0.2 million and $0.1 million to other income related to the sale of these tax benefits, respectively.

(10) Stockholders Equity

In January 2011, the Company entered into a controlled equity offering sales agreement (the Cantor Agreement) with Cantor Fitzgerald & Co. pursuant to which the Company could issue and sell up to 5,000,000 shares of its common stock from time to time through Cantor, acting as agent. During the three months ended March 31, 2012, the Company issued 2,450,000 shares of common stock under the Cantor Agreement and raised $8.5 million in net proceeds.

In September 2012, the Company and Cantor amended the Cantor Agreement (the Cantor Amendment) to allow the Company to issue and sell additional shares of its common stock having an aggregate offering price of up to $44.0 million. Under the Cantor Amendment, the Company will pay Cantor a fixed commission rate of 3.0% of the gross sales price per share of any common stock sold through Cantor. The Cantor Amendment terminates upon ten day notice by either Cantor or the Company. During the three months ended March 31, 2013, the Company issued 2,433,608 shares under the Cantor Amendment and raised $17.1 million in net proceeds. At March 31, 2013, the Company had $4.4 million remaining in aggregate offering price available under the Cantor Amendment which may be sold upon the expiration of the 90-day lock-up with the underwriters of the Company s underwritten public offering in February 2013.

During the three months ended March 31, 2012, the Company issued 12,075,000 shares of its common stock in an underwritten public offering, including the underwriter s exercise of their full over-allotment option to purchase an additional 1,575,000 shares of common stock. The net proceeds to the Company were $43.4 million, after deducting underwriting fees and offering expenses.

During the three months ended March 31, 2013, the Company issued 13,800,000 shares of its common stock in an underwritten public offering, including the underwriter s exercise of their full over-allotment option to purchase an additional 1,800,000 shares of common stock. The net proceeds to the Company were $97.0 million, after deducting underwriting fees and offering expenses.

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(11) Stock-Based Compensation

A summary of stock option activity for the three months ended March 31, 2013 is as follows:

	Shares		Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (In Years)
Options Outstanding at December 31, 2012	5,349,810	$	5.98	7.0
Granted	16,500	$	11.96	
Exercised	(275,251)	$	6.00	
Canceled	(5,750)	$	4.34	
Options Outstanding at March 31, 2013	5,085,309	$	6.00	6.8
Options Vested and Expected to Vest at March 31, 2013	5,039,443	$	6.01	6.7
Options Exercisable at March 31, 2013	3,158,304	$	6.68	5.5
Shares Available for Grant under the 2008 Plan	3,341,331			

The weighted average grant-date fair value of stock options granted during the three months ended March 31, 2013 was $7.64. Stock-based compensation expense for the three months ended March 31, 2013 and 2012 was recorded as follows:

	Three months ended March 31,			
	2013		2012	
	(In thousands)			
Research and development	$	441	$	396
General and administrative		267		245
Total stock-based compensation expense	$	708	$	641

The fair values of employee stock options granted during the three months ended March 31, 2013 and 2012 were valued using the Black-Scholes option-pricing model with the following assumptions:

	Three months ended March 31,	
	2013	2012
Expected stock price volatility	72%	70%
Expected option term	6.0 Years	6.0 Years
Risk-free interest rate	1.4%	1.4%
Expected dividend yield	None	None

(12) Income Taxes

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

The Company has evaluated the positive and negative evidence bearing upon the realizability of its net deferred tax assets, which are comprised principally of net operating loss carryforwards, capitalized R&D expenditures and R&D tax credit carryforwards. The Company has determined that it is more likely than not that it will not recognize the benefits of federal and state deferred tax assets and, as a result, a full valuation allowance was maintained at March 31, 2013 and December 31, 2012 against the Company s net deferred tax assets.

(13) Commitments and Contingent Liabilities

Except as set forth below, the significant commitments and contingencies at March 31, 2013 are consistent with those disclosed in Notes 13 and 15 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2012.

On May 1, 2013, the Company entered into a lease agreement (the Lease) with Crown Perryville, LLC., as Landlord, pursuant to which the Company will lease approximately 33,000 square feet of office space in Hampton, New Jersey for use as an office and laboratory. The Lease has a five-year, five-month term which will commence on the later of November 15, 2013 or the date on which the alterations are substantially complete and a Certificate of Occupancy is issued. The Company s obligation to pay rent commences five months after the lease commencement date. The annual rent obligations increase from $0.4 million in the first year to $0.5 million in the fifth year. The Lease includes two renewal options of five years each.

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

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

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

- our ability to successfully complete research and further development, including animal, preclinical and clinical studies, and commercialization of rindopepimut, CDX-011, and other drug candidates and the growth of the markets for those drug candidates;

- our ability to raise sufficient capital to fund our clinical studies and to meet our long-term liquidity needs, on terms acceptable to us, or at all. If we are unable to raise the funds necessary to meet our long-term liquidity needs, we may have to delay or discontinue the development of one or more programs, discontinue or delay on-going or anticipated clinical trials, license out programs earlier than expected, raise funds at significant discount or on other unfavorable terms, if at all, or sell all or part of our business;

- our ability to manage multiple clinical trials for a variety of drug candidates at different stages of development, including our Phase 3 trial for rindopepimut;

- the cost, timing, scope and results of ongoing safety and efficacy trials of rindopepimut, CDX-011, and other preclinical and clinical testing;

- our ability to fund and complete the development and commercialization of rindopepimut for North America internally;

- the ability to negotiate strategic partnerships, where appropriate, for our programs which may include rindopepimut outside North America;

- our ability to adapt our proprietary antibody-targeted technology, or APC Targeting Technology , to develop new, safe and effective therapeutics for oncology and infectious disease indications;

- our ability to develop technological capabilities and expand our focus to broader markets for targeted immunotherapeutics;

- the availability, cost, delivery and quality of clinical and commercial grade materials produced by our own manufacturing facility or supplied by contract manufacturers and partners;

- the availability, cost, delivery and quality of clinical management services provided by our clinical research organization partners;

- the timing, cost and uncertainty of obtaining regulatory approvals for our drug candidates;

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

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

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- the factors listed under the headings Business, Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in the Company s annual report on Form 10-K for the year ended December 31, 2012 and other reports that we file with the Securities and Exchange Commission.

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

OVERVIEW

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

Our lead drug candidates include rindopepimut (CDX-110), a targeted immunotherapeutic in a pivotal Phase 3 study for the treatment of front-line glioblastoma and a Phase 2 study for the treatment of recurrent glioblastoma and CDX-011, an antibody-drug conjugate which recently completed a randomized Phase 2b study for the treatment of advanced breast cancer. In addition, we have a number of earlier stage candidates in clinical development, including CDX-1135, a molecule that inhibits a part of the immune system called the complement system, CDX-1127, a therapeutic fully human monoclonal antibody for cancer indications, CDX-301, an immune cell mobilizing agent and dendritic cell growth factor and CDX-1401, an APC Targeting Technology program for cancer indications. Our drug candidates address market opportunities for which we believe current therapies are inadequate or non-existent.

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

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

Product (generic)	Indication/Field	Partner	Status
CLINICAL			
CDX-110 (rindopepimut)	Front-line glioblastoma		Phase 3
CDX-011 (glembatumumab vedotin)	Metastatic breast cancer and melanoma		Phase 2b
CDX-110 (rindopepimut)	Recurrent glioblastoma		Phase 2

CDX-1135	Renal disease	Pilot
CDX-1127	Lymphoma/leukemia and solid tumors	Phase 1
CDX-301	Cancer, autoimmune disease and transplant	Phase 1
CDX-1401	Multiple solid tumors	Phase 1
PRECLINICAL		
CDX-014	Ovarian and renal cancer	Preclinical

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

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

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

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

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

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

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

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

As a result of the uncertainties discussed above, among others, it is difficult to accurately estimate the duration and completion costs of our research and development projects or when, if ever, and to what extent it will receive cash inflows from the commercialization and sale of a product. Our inability to complete our research and development projects in a timely manner or our failure to enter into collaborative agreements, when appropriate, could significantly increase our capital requirements and could adversely impact our liquidity. These uncertainties could force us to seek additional, external sources of financing from time to time in order to continue with our business strategy. Our inability to raise additional capital, or to do so on terms reasonably acceptable to us, would jeopardize the future success of our business.

During the past five years through December 31, 2012, we incurred an aggregate of $156.3 million in research and development expenses. The following table indicates the amount incurred for each of our significant research programs and for other identified research and development activities during the three months ended March 31, 2013 and 2012. The amounts disclosed in the following table reflect direct research and development costs, license fees associated with the underlying technology and an allocation of indirect research and development costs to each program.

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	Three Months Ended March 31,	
	2013	2012
	(In thousands)	
Rindopepimut	$ 8,911	$ 4,939
CDX-011	1,109	1,078
CDX-1135	548	2,330
CDX-1127	2,245	936
CDX-301	149	548
CDX-1401	224	486
CDX-014	316	133
Other Programs	588	319
Total R&D Expense	$ 14,090	$ 10,769

Clinical Development Programs

Rindopepimut

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

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

We initiated ACT III, a Phase 2b/3 randomized study of rindopepimut combined with standard of care, TMZ, versus standard of care alone in patients with GB in over 30 sites throughout the United States. 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 were to receive rindopepimut in combination with TMZ. The decision, which followed 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 participating in the control arm of the study were offered the option to receive treatment with rindopepimut. Under this amendment, the ACT III study provided for a multi-center, non-randomized dataset for rindopepimut in patients with newly diagnosed GB.

In November 2012, we announced three-year survival data for each of our three Phase 2 studies in rindopepimut, ACT III, ACT II and ACTIVATE. The median overall survival, or OS, in ACT III was 24.6 months from diagnosis (21.8 months from study entry) and OS was 26% at three years. The median OS in ACT II was 24.4 months from diagnosis (20.5 months from study entry) and OS was 23% at three years. The median OS in ACTIVATE was 24.6 months from diagnosis (20.4 months from study entry) and OS was 33% at three years. In addition we also

announced data from a retrospective analysis of EGFRvIII expression status and associated clinical outcome in the Phase 3 Radiation Therapy Oncology Group s, or RTOG, 0525 study. This analysis was conducted by The University of Texas MD Anderson Cancer Center in cooperation with RTOG to provide an assessment of the prognosis for patients with EGFRvIII-positive disease contemporary with the ACT III data. Across three Phase 2 studies of rindopepimut, survival data remains consistent and suggests a continuing survival benefit in comparison to independent control datasets (see chart below) at the median and at three years.

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Rindopepimut Overall Survival (OS) in EGFRvIII-Positive Glioblastoma vs Independent Control Datasets

Rindopepimut Phase 2 Studies (all data from study entry)

	Medium (months)	OS at 3 years
ACT III (n=65)	21.8	26%
ACT II (n=22)	20.5	23%
ACTIVATE (n=18)	20.4	33%

Independent Control Datasets (all data from study entry)

MD Anderson EGFRvIII-positive patients matched(1) to ACTIVATE patient population (n=17) *(contemporary with ACTIVATE)*	12.2(2)	6%
Radiation Therapy Oncology Group (RTOG) 0525 study all EGFRvIII-positive patients (n=142) *(contemporary with ACT III)*	15.1	18%
RTOG 0525 study all EGFRvIII-positive patients treated with standard dose temozolomide (n=62) *(contemporary with ACT III)*	14.2	7%
RTOG 0525 study EGFRvIII-positive patients matched(1) to ACT III/IV patient population (n=29) *(contemporary with ACT III)*	16.0	13%

(1) Controls are closely matched to rindopepimut patient criteria including gross total resection of patient tumor and ~3 months without disease progression at time of study entry

(2) In order to provide comparable timeframes across datasets, data have been estimated assuming study entry at three months from diagnosis.

In December 2011, we initiated ACT IV, a pivotal, randomized, double-blind, controlled Phase 3 study of rindopepimut in patients with surgically resected, EGFRvIII-positive GB. Patients are randomized after the completion of surgery and standard chemoradiation treatment. The treatment regime includes a rindopepimut priming phase post-radiation followed by an adjuvant TMZ phase and a rindopepimut maintenance therapy phase. Patients are treated until disease progression or intolerance to therapy. The primary objective of the study is to determine whether rindopepimut plus adjuvant GM-CSF improves the overall survival of patients with newly diagnosed EGFRvIII-positive GB after Gross Total Resection, or GTR, when compared to treatment with TMZ and a control injection of KLH. KLH is a component of rindopepimut and was selected due to its ability to generate a similar injection site reaction to that observed with rindopepimut. ACT IV will enroll up to 440 patients at over 150 centers worldwide to recruit approximately 374 patients with GTR to be included in the primary analysis. We expect to complete patient accrual by the end of 2013 and anticipate receiving data 18 to 24 months after completing accrual. We anticipate ACT IV to cost over $60 million during its duration.

In December 2011, we also initiated ReACT, a Phase 2 study of rindopepimut in combination with Avastin® in patients with recurrent EGFRvIII-positive GB. ReACT will enroll approximately 95 patients in a first or second relapse of GB following receipt of standard therapy and will be conducted at approximately 25 sites across the United States. Approximately 70 patients who have yet to receive Avastin will be randomized to receive either rindopepimut and Avastin or a control injection of KLH and Avastin in a blinded fashion. Another 25 patients who are refractory to Avastin having received Avastin in either the frontline or recurrent setting with subsequent progression will receive rindopepimut plus Avastin in a single treatment arm. We expect data from this study to be available in the second half of 2013.

In addition, researchers at Stanford University are conducting an investigator sponsored, pilot trial of rindopepimut in pediatric patients with pontine glioma. Patient enrollment is ongoing for this trial.

Glembatumumab Vedotin (CDX-011)

CDX-011 is an antibody-drug conjugate, or ADC, that consists of a fully-human monoclonal antibody, CR011, linked to a potent cell-killing drug, monomethyl-auristatin E, or MMAE. The CR011 antibody specifically targets glycoprotein NMB, referred to as GPNMB, that is expressed in a variety of human cancers including breast cancer and melanoma. The ADC technology, comprised of MMAE and a stable linker system for attaching it to CR011, was licensed from Seattle Genetics, Inc. The ADC is designed to be stable in the bloodstream. Following intravenous administration, CDX-011 targets and binds to GPNMB and upon internalization into the targeted cell, CDX-011 is designed to release MMAE from CR011 to produce a cell-killing effect. The FDA has granted Fast Track designation to CDX-011 for the treatment of advanced, refractory/resistant GPNMB-expressing breast cancer.

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Treatment of Breast Cancer: In June 2008, an open-label, multi-center Phase 1/2 study was initiated of CDX-011 administered intravenously once every three weeks to patients with locally advanced or metastatic breast cancer who had received prior therapy (median of seven prior regimens). The study began with a bridging phase to confirm the maximum tolerated dose, or MTD, and then expanded into a Phase 2 open-label, multi-center study.

The study confirmed the safety of CDX-011 at the pre-defined maximum dose level (1.88 mg/kg) in 6 patients. An additional 28 patients were enrolled in an expanded Phase 2 cohort (for a total of 34 treated patients at 1.88 mg/kg, the Phase 2 dose) to evaluate the PFS rate at 12 weeks. As previously seen in melanoma patients, the 1.88 mg/kg dose was well tolerated in this patient population with the most common adverse events of rash, alopecia, and fatigue. The primary activity endpoint, which called for at least 5 of 25 (20%) patients in the Phase 2 study portion to be progression-free at 12 weeks, was met as 9 of 26 (35%) evaluable patients were progression-free at 12 weeks.

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

In December 2011, we completed enrollment of EMERGE, a randomized, multi-center Phase 2b study of CDX-011 in 122 patients with heavily pre-treated, advanced, GPNMB positive breast cancer. Patients were randomized (2:1) to receive either CDX-011 or single-agent Investigator s Choice, or IC, chemotherapy. Patients randomized to receive IC were allowed to cross over to receive CDX-011 following disease progression. Activity endpoints include response rate, PFS and OS.

In December 2012, we announced final results, as shown below, from the EMERGE study which suggested that CDX-011 induces significant response rates compared to currently available therapies in patient subsets with advanced, refractory breast cancers with GPNMB over-expression (expression in greater than 25% of tumor cells) and in patients with triple negative breast cancer. The overall survival, or OS, and progression free survival, or PFS, of patients treated with CDX-011 was also observed to be greatest in patients with triple negative breast cancer who also over-express GPNMB and all patients with GPNMB over-expression.

EMERGE: Overall Response Rate and Disease Control Data

					On target effect clearly demonstrated in targeted patient populations			
	All Patients		Triple Negative		GPNMB Over-Expression		Triple Negative and GPNMB Over-Expression	
	CDX-011 (n=81)	IC (n=36)	CDX-011 (n=27)	IC (n=9)	CDX-011 (n=25)	IC (n=8)	CDX-011 (n=12)	IC (n=4)
Response	16%	14%	19%	0%	32%	13%	33%	0%
Disease Control Rate	57%	53%	67%	33%	64%	38%	75%	25%

Responses per RECIST 1.1; IC = Investigator s Choice; CDX-011 arm includes 15 patients who crossed over to receive CDX-011 treatment after progression on IC. Analysis of best response excludes patients who discontinued from study without evaluable post-baseline radiographic imaging (n=15 for CDX-011 arm; n=5 for IC arm).

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

					On target effect clearly demonstrated in targeted patient populations			
	All Patients		Triple Negative		GPNMB Over-Expression		Triple Negative and GPNMB Over-Expression	
	CDX-011	IC	CDX-011	IC	CDX-011	IC	CDX-011	IC
Median OS (months)	7.5	7.4	6.9	6.5	10.0	5.7	10.0	5.5
	p=0.24		p=0.30		p=0.18		p=0.003	
Median PFS (months)	2.1	2.0	2.3	1.6	2.7	1.5	3.0	1.5
	p=0.38		p=0.43		p=0.14		p=0.008	

Analyses include all treated patients. Patients who initially received Investigator s Choice (IC) and subsequently crossed over to receive CDX-011 (n=15) are included in the PFS analysis for each treatment. These patients, with a median OS of 12.5 months, are assigned to the IC arm only for OS analysis. Median OS for the remaining IC patients who did not cross over is 5.4 months. When cross over patients are removed, median OS in patients with GPNMB over-expression is 10.0 months for CDX-011 vs 5.2 months for IC (p=0.05) and median OS in triple negative patients with GPNMB over-expression is 10.0 months for CDX-011 vs 5.2 months for IC (p=0.009).

In December 2012, we had our end of Phase 2b meeting with the FDA for our CDX-011 program. Based on this meeting, we intend to initiate a randomized study of CDX-011 suitable for accelerated approval in patients with triple negative breast cancer that over-express GPNMB in the second half of 2013.

One lot of our CDX-011 product candidate was aseptically filled in 2009 by Formatech, a third party contract manufacturer. At the end of January 2012, we were notified by the FDA that because significant Good Manufacturing Practice, or cGMP, violations were uncovered during inspection of Formatech, our Phase 2b study for CDX-011 was being placed on partial clinical hold. The clinical hold did not significantly impact the conduct or analysis of the Phase 2b study for purposes of determining next steps in our future development of CDX-011. In March 2013, we received written confirmation from the FDA that the clinical hold was removed following their review of our clinical hold response regarding reprocessing of the CDX-011 manufactured at Formatech.

Treatment of Metastatic Melanoma: In 2009, we completed enrollment of 117 patients in a Phase 1/2 open-label, multi-center, dose escalation study to evaluate the safety, tolerability and pharmacokinetics of CDX-011 for patients with un-resectable Stage III or Stage IV melanoma who had failed no more than one prior line of cytotoxic therapy. The MTD was determined to be 1.88 mg/kg administered intravenously once every three weeks. The study achieved its primary activity objective with an ORR in the Phase 2 cohort of 15% (5/34). Median PFS was 3.9 months. CDX-011 was generally well tolerated, with the most frequent treatment-related adverse events being rash, fatigue, hair loss, pruritus, diarrhea and neuropathy. In the subset of patients with tumor biopsies, high levels of tumor expression of GPNMB appeared to correlate with favorable outcome. In the seven patients whose tumors were found to express high amounts of GPNMB, and who were treated at the maximum tolerated doses across all dosing schedules, median PFS was 4.9 months. The development of rash, which may be associated with the presence of GPNMB in the skin also seemed to correlate with greater PFS.

We intend to initially focus our resources on advancing CDX-011 for the treatment of breast cancer while pursuing further development of CDX-011 in melanoma and other indications that are known to express GPNMB.

CDX-1135

CDX-1135 is a molecule that inhibits a part of the human 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. CDX-1135 is a soluble form of naturally occurring Complement Receptor 1 that has been shown to inhibit the activation of the complement cascade in animal models and in human clinical trials. In preclinical studies, CDX-1135 has been shown to inhibit both the classical and alternative pathways of complement activation.

Dense Deposit Disease, or DDD, is a rare and devastating disease that is caused by uncontrolled activation of the alternative pathway of complement and leads to progressive kidney damage in children. There is currently no treatment for patients with DDD and about half progress to end-stage renal disease within 10 years. Because DDD recurs in virtually all patients who receive a kidney transplant, transplantation is not a viable option for these patients. In animal models of DDD, CDX-1135 treatment showed evidence of reversal of kidney damage.

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Initial experience under an investigator sponsored IND indicated that CDX-1135 limits complement abnormalities in DDD. In 2011, we completed process development activities and in 2011 and 2012 we manufactured multiple runs of cGMP clinical drug product at our Fall River manufacturing facility in preparation for our upcoming pilot study. We are planning to initiate a pilot study of CDX-1135 in a small number of DDD patients to determine the appropriate dose and regimen for further clinical development based on safety, tolerability and biological activity with data expected by the end of 2013.

CDX-1127

CDX-1127 is a human monoclonal antibody that targets CD27, a potentially important target for immunotherapy of various cancers. We have entered into license agreements with the University of Southampton, UK for intellectual property related to uses of anti-CD27 antibodies and with Medarex (now a subsidiary of the Bristol-Myers Squibb Company) for access to the UltiMab technology to develop and commercialize human antibodies to CD27. CD27 acts downstream from CD40 and may provide a novel way to regulate the immune responses. CD27 is a co-stimulatory molecule on T cells and is over-expressed in certain lymphomas and leukemias. CDX-1127 is an agonist antibody designed to have two potential therapeutic mechanisms. CDX-1127 has been shown to activate immune cells that can target and eliminate cancerous cells in tumor-bearing mice and to directly kill or inhibit the growth of CD27 expressing lymphomas and leukemias in vitro and in vivo. Both mechanisms have been seen even at low doses in appropriate preclinical models.

In November 2011, we initiated an open label, dose-escalating Phase 1 study of CDX-1127 in patients with selected malignant solid tumors or hematologic cancers at multiple clinical sites in the United States. The Phase 1 study is designed to test five escalating doses of CDX-1127 to determine a Phase 2 dose for further development based on safety, tolerability, potential activity and immunogenicity. The study will accrue approximately 30 patients in each of the two arms, either selected refractory or relapsed solid tumors or lymphomas or leukemias known to express CD27. Patients will have received all appropriate prior therapies for their specific disease. The trial design incorporates both single dosing and multiple dosing regimens at each dose level. Enrollment has completed in the Phase 1 portion of the solid tumor arm and CDX-1127 was determined to be well tolerated to date, including at the highest dose level. Following a review of the clinical data from these patients, an expansion cohort will be enrolled in 2013. We continue to enroll patients in the dose escalation portion of the lymphoma and leukemia arm and also plan the initiation of an expansion cohort of this arm in 2013. We anticipate reporting data from the CDX-1127 program in the second half of 2013.

CDX-301

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

In February 2013, we announced final results from our dose-escalating Phase 1 study of CDX-301 in 30 healthy subjects in collaboration with Rockefeller University. The Phase 1 study evaluated seven different dosing regimens of CDX-301 to determine the appropriate dose for further development based on safety, tolerability, and biological activity. The data from the study were consistent with previous clinical experience and demonstrated that CDX-301 was well-tolerated and can effectively mobilize hematopoietic stem cell populations in healthy volunteers. Based on the safety profile and the increases observed for CD34+ stem cells and dendritic cells, we plan to initiate a pilot study in hematopoietic stem cell

transplant in the second half of 2013.

CDX-1401

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

In October 2012, we announced results from a dose-escalating, multi-center, Phase 1 study that evaluated three different doses of CDX-1401 in combination with toll-like receptor agonists poly-ICLC or Hiltonol and/or R848 or resiquimod. In total, the study enrolled 45 patients with advanced malignancies that had progressed after any available curative and/or salvage therapies. 60%

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of patients had confirmed NY-ESO expression in archived tumor sample. Thirteen patients maintained stable disease for up to 13.4 months with a median of 6.7 months. Treatment was well-tolerated and there were no dose limiting toxicities. Humoral responses were elicited in both NY-ESO-1 positive and negative patients. NY-ESO-1-specific T cell responses were absent or low at baseline, but increased post-vaccination in 53% of evaluable patients, including both CD4 and/or CD8 T cell responses. Robust immune responses were observed with CDX-1401 with resiquimod and Poly ICLC alone and in combination. The study has identified a well-tolerated and immunogenic regimen to take forward into the future studies and we expect that a study sponsored by the Cancer Immunotherapy Trials Network of the National Cancer Institute will be initiated in 2013.

Preclinical Programs

CDX-014

CDX-014 is a fully-human monoclonal ADC that targets TIM-1, a molecule that is highly expressed on renal and ovarian cancers with minimal expression in normal tissues. The antibody, CDX-014, is linked to MMAE using Seattle Genetics proprietary technology. The ADC is designed to be stable in the bloodstream, but to release MMAE upon internalization into TIM-1-expressing tumor cells, resulting in a targeted cell-killing effect. CDX-014 has shown potent activity in preclinical models of ovarian and renal cancer. We are conducting proof-of-concept studies in 2013 to optimize the drug candidate to move into future manufacturing and IND-enabling studies.

Marketed Products

Rotavirus is a major cause of diarrhea and vomiting in infants and children. In 1997, we licensed our oral rotavirus strain to Glaxo 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 Cincinnati Children s Hospital Medical Center, or CCH, on net royalties received from Glaxo. In May 2005, we entered into an agreement whereby an affiliate of Paul Royalty Fund II, L.P., or PRF, purchased a 70% interest in the net royalties we received on worldwide sales of Rotarix.

In December 2012, a U.S. patent for our rotavirus strain that we licensed to Glaxo expired. The Glaxo agreement terminates automatically upon the expiration, lapse or invalidation of the last relevant patent right (patent or patent application) covered by the Glaxo agreement. The only remaining relevant patent right is a patent application in Mexico with a projected final expiry date in May 2013 which is under appeal. The PRF agreement provided for a normal expiry of the PRF agreement on December 12, 2012 except that the PRF agreement provides for an exclusive 120-day right of negotiation for extension in certain circumstances.

CRITICAL ACCOUNTING POLICIES

Our critical accounting policies are more fully described in Note 2 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2012 and there have been no material changes to such critical accounting policies. We believe our most critical accounting policies include accounting for business combinations, revenue recognition, impairment of long-lived assets, research

and development expenses and stock-based compensation expense.

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RESULTS OF OPERATIONS

Three Months Ended March 31, 2013 compared with Three Months Ended March 31, 2012

	Three Months Ended March 31,		Increase/ (Decrease)	Increase/ (Decrease)
	2013	2012	$	%
	(In thousands)			
Revenue:				
Product Development and Licensing Agreements	$ 30	$ 35	$ (5)	(14)%
Contracts and Grants	50	54	(4)	(7)%
Product Royalties	2,334	2,344	(10)	
Total Revenue	$ 2,414	$ 2,433	$ (19)	(1)%
Operating Expense:				
Research and Development	14,090	10,769	3,321	31%
Royalty	2,334	2,344	(10)	
General and Administrative	3,138	2,317	821	35%
Amortization of Acquired Intangible Assets	253	291	(38)	(13)%
Total Operating Expense	19,815	15,721	4,094	26%
Operating Loss	(17,401)	(13,288)	4,113	31%
Investment and Other Income, Net	379	205	174	85%
Interest Expense	(310)	(433)	(123)	(28)%
Net Loss	$ (17,332)	$ (13,516)	$ 3,816	28%

Net Loss

The $3.8 million increase in net loss for the three months ended March 31, 2013 compared to the three months ended March 31, 2012 was primarily the result of an increase in research and development and general and administrative expenses.

Revenue

Revenue for the three months ended March 31, 2013 was relatively consistent compared to the three months ended March 31, 2012. Product royalty revenue was related to our 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 royalty expense by us. We expect that royalty revenue related to the Glaxo agreement will end during the year ending December 31, 2013. In December 2012, a U.S. patent for our rotavirus strain that we licensed to Glaxo expired. The Glaxo agreement terminates automatically upon the expiration, lapse or invalidation of the last relevant patent right (patent or patent application) covered by the Glaxo agreement. The only remaining relevant patent right is a patent application in Mexico with a projected final expiry date in May 2013 which is under appeal. The PRF agreement provided for a normal expiry of the PRF agreement on December 12, 2012 except that the PRF agreement provides for an exclusive 120-day right of negotiation for extension in certain circumstances.

Research and Development Expense

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

	Three Months Ended March 31,		Increase/ (Decrease)	Increase/ (Decrease)
	2013	2012	$	%
	(In thousands)			
Personnel	$ 3,783	$ 3,427	$ 356	10%
Laboratory Supplies	711	388	323	83%
Facility	1,118	1,143	(25)	(2)%
Product Development	7,815	4,984	2,831	57%

Personnel expenses primarily include salary, benefits, stock-based compensation, payroll taxes and recruiting costs. The $0.4 million increase in personnel expenses for the three months ended March 31, 2013 compared to the three months ended March 31, 2012 was primarily due to higher headcount. We expect personnel expenses to increase over the next twelve months as we plan to continue to increase our headcount, primarily to support our rindopepimut and CDX-011 programs.

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Laboratory supply expenses include laboratory materials and supplies, services, and other related expenses incurred in the development of our technology. The $0.3 million increase in laboratory supply expense for the three months ended March 31, 2013 compared to the three months ended March 31, 2012 was primarily due to higher manufacturing supply purchases. We expect supply expenses to remain relatively consistent over the next twelve months, although there may be fluctuations on a quarterly basis.

Facility expenses include depreciation, amortization, utilities, rent, maintenance, and other related expenses incurred at our facilities. Facility expenses for the three months ended March 31, 2013 were relatively consistent compared to the three months ended March 31, 2012. We expect facility expenses to remain relatively consistent over the next twelve months, although there may be fluctuations on a quarterly basis.

Product development expenses include clinical investigator site fees, external trial monitoring costs, data accumulation costs, contracted research and outside clinical drug product manufacturing. The $2.8 million increase in product development expenses for the three months ended March 31, 2013 compared to the three months ended March 31, 2012 was primarily the result of an increase in clinical trial costs and contract manufacturing of $2.3 million and $0.5 million, respectively, primarily due to our rindopepimut program. We expect product development expenses to increase over the next twelve months primarily due to the increase in clinical trial and contract manufacturing expenses related to our rindopepimut and CDX-011 programs, although there may be fluctuations on a quarterly basis.

Royalty Expense

Royalty expenses include product royalty and sublicense royalty fees on our out-licensed programs. Royalty expenses for the three months ended March 31, 2013 were relatively consistent compared to the three months ended March 31, 2012. Our 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. We expect royalty expense related to the Glaxo agreement will end during the year ended December 31, 2013. The Glaxo agreement terminates automatically upon the expiration, lapse or invalidation of the last relevant patent right (patent or patent application) covered by the Glaxo agreement. The only remaining relevant patent right is a patent application in Mexico with a projected final expiry date in May 2013 which is under appeal. The PRF agreement provided for a normal expiry of the PRF agreement on December 12, 2012 except that the PRF agreement provides for an exclusive 120-day right of negotiation for extension in certain circumstances.

General and Administrative Expense

The $0.8 million increase in general and administrative expenses for the three months ended March 31, 2013 compared to the three months ended March 31, 2012 was primarily due to higher headcount and rindopepimut-related commercial planning costs. We expect general and administrative expense to increase over the next twelve months primarily due to increased commercial planning efforts, although there may be fluctuations on a quarterly basis.

Amortization Expense

Amortization expenses for the three months ended March 31, 2013 were relatively consistent compared to the three months ended March 31, 2012. We expect amortization expense of acquired intangible assets to remain relatively consistent over the next twelve months.

Investment and Other Income, Net

The $0.2 million increase in investment and other income, net for the three months ended March 31, 2013 compared to the three months ended March 31, 2012 was primarily due to us recognizing $0.2 million and $0.1 million in other income related to the sale of New Jersey tax benefits during the three months ended March 31, 2013 and 2012, respectively. We anticipate investment income to increase over the next twelve months due to higher cash and investment balances resulting from fundraising efforts during the three months ended March 31, 2013.

Interest Expense

The $0.1 million decrease in interest expense for the three months ended March 31, 2013 compared to the three months ended March 31, 2012 was due to a decrease in our Term Loan balance. We anticipate interest expense to decrease over the next twelve months as we continue to make monthly principal payments on our Term Loan.

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LIQUIDITY AND CAPITAL RESOURCES

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

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

At March 31, 2013, our principal sources of liquidity consisted of cash, cash equivalents and marketable securities of $182.4 million. Our working capital at March 31, 2013 was $166.1 million. At March 31, 2013, our Term Loan balance was $10.1 million. We incurred a loss of $17.3 million for the three months ended March 31, 2013. Net cash used in operations for the three months ended March 31, 2013 was $17.2 million. We believe that the cash, cash equivalents and marketable securities at March 31, 2013 are sufficient to fund planned operations through 2015.

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

Operating Activities

Net cash used in operating activities was $17.2 million for the three months ended March 31, 2013 compared to $13.6 million for the three months ended March 31, 2012. The increase in net cash used in operating activities was primarily due to an increase in net loss of $3.8 million and changes in working capital. We expect that cash used in operating activities will increase over the next twelve months primarily related to costs incurred on our rindopepimut and CDX-011 programs.

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

Investing Activities

Net cash used in investing activities was $46.6 million for the three months ended March 31, 2013 compared to $27.5 million for the three months ended March 31, 2012. The increase in net cash used in investing activities was primarily due to $46.4 million of net purchases of marketable securities for the three months ended March 31, 2013 compared to $27.5 million for the three months ended March 31, 2012.

Financing Activities

Net cash provided by financing activities was $114.5 million for the three months ended March 31, 2013 compared to $51.9 million for the three months ended March 31, 2012. Net proceeds from stock issuances, including stock issued pursuant to employee benefit plans, were $115.8 million during the three months ended March 31, 2013 compared to $51.9 million for the three months ended March 31, 2012. We paid $1.3 million in principal payments on our Term Loan during the three months ended March 31, 2013 compared to none for the three months ended March 31, 2012.

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Equity Offerings

In April 2010, we filed a shelf registration statement with the Securities and Exchange Commission to register for sale any combination of the types of securities described in the shelf registration statement up to a dollar amount of $150 million. The shelf registration went effective on April 22, 2010. In December 2012, we filed a new shelf registration statement with the Securities and Exchange Commission to register for sale any combination of the types of securities described in the new shelf registration statement up to a dollar amount of $200 million. The new shelf registration went effective on January 16, 2013.

In January 2011, we entered into a controlled equity offering sales agreement with Cantor Fitzgerald & Co. pursuant to which we could issue and sell up to 5,000,000 shares of our common stock from time to time through Cantor, acting as agent. During the three months ended March 31, 2012, we issued 2,425,000 shares of common stock under the Cantor agreement and raised $8.5 million in net proceeds.

In September 2012, we amended the Cantor agreement to allow us to issue and sell additional shares of our common stock having an aggregate offering price of up to $44.0 million. Under the Cantor amendment, we will pay Cantor a fixed commission rate of 3.0% of the gross sales price per share of any common stock sold through Cantor. The Cantor amendment terminates upon ten day notice by either Cantor or us. During the three months ended March 31, 2013, we issued 2,433,608 shares under the Cantor amendment and raised $17.1 million in net proceeds. At March 31, 2013, we had $4.4 million remaining in aggregate offering price available under the Cantor amendment which may be sold upon the expiration of the 90-day lock-up with the underwriters of our underwritten public offering in February 2013.

During the three months ended March 31, 2012, we issued 12,075,000 shares of our common stock in an underwritten public offering, including the underwriter s exercise of their full over-allotment option to purchase an additional 1,575,000 shares of common stock. The net proceeds to us were $43.4 million, after deducting underwriting fees and offering expenses.

During the three months ended March 31, 2013, we issued 13,800,000 shares of our common stock in an underwritten public offering, including the underwriter s exercise of their full over-allotment option to purchase an additional 1,800,000 shares of common stock. The net proceeds to us were $97.0 million, after deducting underwriting fees and offering expenses.

Term Loan

The Term Loan accrues interest at a fixed annual interest rate equal to the greater of (i) the sum of (A) the LIBOR Rate (as defined in the Loan Agreement) plus (B) 6.25%; or (ii) a minimum rate of 9.50%. In March 2012, we amended the Loan Agreement to extend the maturity date from December 2013 to December 2014 in return for an upfront fee of $25,000 and an additional fee of $37,500 due upon repayment of the Term Loan in full. Interest on the Term Loan is payable monthly and principal is due, as amended, in equal consecutive monthly installments. All unpaid principal and accrued interest with respect to the Term Loan is due and payable on the earlier of (A) December 30, 2014 or (B) the date that the Term Loan otherwise becomes due and payable under the terms of the Loan Agreement. We may prepay all, but not less than all, of the Term Loan subject to a prepayment premium of 1% in year three of the Term Loan. There is no prepayment premium if the loan is paid off early in year four. We are also obligated to make a payment of $0.5 million upon the earlier of (A) December 30, 2013 or (B) upon repayment of the Term Loan in full prior to December 30, 2013.

Our obligations under the Loan Agreement are secured by a first priority lien upon and security interest in substantially all of our existing and after-acquired assets, excluding our intellectual property assets. Under the Loan Agreement, we are subject to specified affirmative and negative covenants customary for financings of this type. The Loan Agreement provides that, upon the occurrence of certain specified events of default customary for financings of this type, our obligations under the Loan Agreement may be automatically accelerated, whereupon our obligations under the Loan Agreement shall be immediately due and payable. At March 31, 2013, we believe we are in compliance with the Loan Agreement.

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AGGREGATE CONTRACTUAL OBLIGATIONS

Except as set forth below, the disclosures relating to our contractual obligations reported in our Annual Report on Form 10-K for the year ended December 31, 2012 which was filed with the SEC on March 8, 2013 have not materially changed since we filed that report.

On May 1, 2013, we entered into a lease agreement (the Lease) with Crown Perryville, LLC., as Landlord, pursuant to which we will lease approximately 33,000 square feet of office space in Hampton, New Jersey for use as an office and laboratory. The Lease has a five-year, five-month term which will commence on the later of November 15, 2013 or the date on which the alterations are substantially complete and a Certificate of Occupancy is issued. Our obligation to pay rent commences five months after the lease commencement date. The annual rent obligations increase from $0.4 million in the first year to $0.5 million in the fifth year. The Lease includes two renewal options of five years each.

RECENT ACCOUNTING PRONOUNCEMENTS

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

We do not utilize derivative financial instruments. The carrying amounts reflected in the consolidated balance sheet of cash and cash equivalents, accounts receivables and accounts payable approximates fair value at March 31, 2013 due to the short-term maturities of these instruments.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

As of March 31, 2013, we evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2013. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within time periods specified by the SEC s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting.

There were no changes in our internal control over financial reporting during the three months ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K may not be the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company s business, financial condition and/or operating results.

There were no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 8, 2013.

Item 5. Other Information

On May 1, 2013, we entered into a lease agreement (the Lease) with Crown Perryville, LLC., as Landlord, pursuant to which we will lease approximately 33,000 square feet of office space in Hampton, New Jersey for use as an office and laboratory. The Lease has a five-year, five-month term which will commence on the later of November 15, 2013 or the date on which the alterations are substantially complete and a Certificate of Occupancy is issued. Our obligation to pay rent commences five months after the lease commencement date. The annual rent obligations increase from $0.4 million in the first year to $0.5 million in the fifth year. The Lease includes two renewal options of five years each.

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Item 6. Exhibits

2.1	Agreement and Plan of Merger, dated as of May 28, 2009, by and among Celldex Therapeutics, Inc., CuraGen Corporation and Cottrell Merger Sub, Inc. incorporated by reference to Exhibit 2.1 of the Company s Current Report on Form 8-K filed May 29, 2009 with the Securities and Exchange Commission.
3.1	Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company s Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.
3.2	Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company s Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.
3.3	Second Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.2 of the Company s Registration Statement on Form S-4 (Reg. No. 333-59215), filed July 16, 1998 with the Securities and Exchange Commission.
3.4	Third Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company s Quarterly Report on Form 10-Q, filed May 10, 2002 with the Securities and Exchange Commission.
3.5	Fourth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.1 of the Company s Current Report on Form 8-K, filed on March 11, 2008 with the Securities and Exchange Commission.
3.6	Fifth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.2 of the Company s Current Report on Form 8-K, filed on March 11, 2008 with the Securities and Exchange Commission.
3.7	Sixth Certificate of Amendment of Third Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3.7 of the Company s Quarterly Report on Form 10-Q, filed November 10, 2008 with the Securities and Exchange Commission.
4.3	Amendment No. 2 to Shareholder Rights Agreement dated November 5, 2004, between the Company and Computershare Trust Company, N.A. (formerly EquiServe Trust Company, N.A.), as Rights Agent, incorporated by reference to Exhibit 10.1 of the Company s Registration Statement on Form 8-A1G/A, filed on March 7, 2008 with the Securities and Exchange Commission.
*10.1	Lease Agreement, by and between the Company and Crown Perryville, LLC, dated May 1, 2013
*31.1	Certification of President and Chief Executive Officer
*31.2	Certification of Senior Vice President and Chief Financial Officer
**32.1	Section 1350 Certifications
101.1+	XBRL Instance Document.
101.2+	XBRL Taxonomy Extension Schema Document.
101.3+	XBRL Taxonomy Extension Calculation Linkbase Document.
101.4+	XBRL Taxonomy Extension Definition Linkbase Document.
101.5+	XBRL Taxonomy Extension Label Linkbase Document.
101.6+	XBRL Taxonomy Extension Presentation Linkbase Document.

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

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CELLDEX THERAPEUTICS, INC.

BY:

/s/ ANTHONY S. MARUCCI
Dated: May 3, 2013 Anthony S. Marucci
President and Chief Executive Officer
(Principal Executive Officer)

/s/ AVERY W. CATLIN
Dated: May 3, 2013 Avery W. Catlin
Senior Vice President, Treasurer and Chief Financial Officer
(Principal Financial and Accounting Officer)

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101.2+	XBRL Taxonomy Extension Schema Document.
101.3+	XBRL Taxonomy Extension Calculation Linkbase Document.
101.4+	XBRL Taxonomy Extension Definition Linkbase Document.
101.5+	XBRL Taxonomy Extension Label Linkbase Document.
101.6+	XBRL Taxonomy Extension Presentation Linkbase Document.

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