ENDOCYTE INC

FORM 10-Q
(Quarterly Report)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended March 31, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-35050

ENDOCYTE, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**35-1969-140**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

3000 Kent Avenue, Suite A1-100
West Lafayette, IN 47906
(Address of Registrant's principal executive offices)
Registrant's telephone number, including area code: (765) 463-7175

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

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

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

Large accelerated filer ☐	Accelerated filer ☑	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐	Emerging growth company ☐

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

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

Number of shares of the registrant's Common Stock, $0.001 par value, outstanding on April 28, 2017: 42,470,874

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

ENDOCYTE, INC.

CONDENSED BALANCE SHEETS

	December 31, 2016	March 31, 2017
Assets		(unaudited)
Current assets:		
Cash and cash equivalents	$ 31,228,192	$ 33,660,918
Short-term investments	106,979,224	93,901,236
Receivables	55,074	5,125
Prepaid expenses	1,737,308	1,526,171
Other assets	255,912	283,426
Total current assets	140,255,710	129,376,876
Property and equipment, net	3,205,077	2,982,871
Other noncurrent assets	33,567	27,067
Total assets	$ 143,494,354	$ 132,386,814
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,381,545	$ 1,546,612
Accrued wages and benefits	2,705,475	1,143,822
Accrued clinical trial expenses	861,293	1,207,887
Accrued expenses and other liabilities	613,861	1,017,072
Total current liabilities	5,562,174	4,915,393
Other liabilities, net of current portion	2,873	—
Deferred revenue, net of current portion	781,944	769,444
Total liabilities	6,346,991	5,684,837
Stockholders' equity:		
Common stock: $0.001 par value, 100,000,000 shares authorized; 42,377,522 and 42,470,874 shares issued and outstanding at December 31, 2016 and March 31, 2017	42,378	42,471
Additional paid-in capital	390,768,742	392,092,353
Accumulated other comprehensive loss	(41,196)	(53,877)
Retained deficit	(253,622,561)	(265,378,970)
Total stockholders' equity	137,147,363	126,701,977
Total liabilities and stockholders' equity	$ 143,494,354	$ 132,386,814

See accompanying notes.

ENDOCYTE, INC.

CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended March 31,	
	2016	**2017**
	(unaudited)	
Revenue:		
Collaboration revenue	$ 12,500	$ 12,500
Total revenue	12,500	12,500
Operating expenses:		
Research and development	6,531,553	7,994,472
General and administrative	3,819,758	3,745,262
Total operating expenses	10,351,311	11,739,734
Loss from operations	(10,338,811)	(11,727,234)
Other income (expense), net:		
Interest income, net	189,535	235,451
Other income (expense), net	(3,464)	3,198
Net loss	(10,152,740)	(11,488,585)
Net loss per share – basic and diluted	$ (0.24)	$ (0.27)
Items included in other comprehensive income (loss):		
Unrealized gain (loss) and amounts reclassified to net loss on available-for-sale securities	110,136	(12,681)
Other comprehensive income (loss)	110,136	(12,681)
Comprehensive loss	$ (10,042,604)	$ (11,501,266)
Weighted-average number of common shares used in net loss per share calculation – basic and diluted	42,109,828	42,434,709

See accompanying notes.

ENDOCYTE, INC.

CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Deficit	Total
	Shares	Amount				
Balances December 31, 2016	42,377,522	$ 42,378	$ 390,768,742	$ (41,196)	$ (253,622,561)	$ 137,147,363
Reclassification of impact of ASU 2016-09 (See Note 3)	—	—	267,824	—	(267,824)	—
Balances at January 1, 2017	42,377,522	$ 42,378	$ 391,036,566	$ (41,196)	$ (253,890,385)	$ 137,147,363
Exercise of stock options	7,757	8	16,282	—	—	16,290
Stock-based compensation	85,595	85	1,039,505	—	—	1,039,590
Net loss	—	—	—	—	(11,488,585)	(11,488,585)
Unrealized loss on securities	—	—	—	(12,681)	—	(12,681)
Balances March 31, 2017	42,470,874	$ 42,471	$ 392,092,353	$ (53,877)	$ (265,378,970)	$ 126,701,977

See accompanying notes.

ENDOCYTE, INC.

CONDENSED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2016	**2017**
	(unaudited)	
Operating activities		
Net loss	$ (10,152,740)	$ (11,488,585)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	217,252	238,347
Stock-based compensation	2,084,198	1,132,519
Loss on disposal of property and equipment	—	2,222
Accretion of bond premium	195,962	43,001
Change in operating assets and liabilities:		
Receivables	8,678	22,435
Prepaid expenses and other assets	(95,744)	396,962
Accounts payable	(546,342)	(3,085)
Accrued wages, benefits and other liabilities	(1,835,004)	(814,721)
Deferred revenue	(12,500)	(12,500)
Net cash used in operating activities	(10,136,240)	(10,483,405)
Investing activities		
Purchases of property and equipment	(35,898)	(29,536)
Purchases of investments	(41,852,513)	(14,977,694)
Proceeds from sale and maturities of investments	76,765,000	28,000,000
Net cash provided by investing activities	34,876,589	12,992,770
Financing activities		
Stock repurchase	(108,501)	(92,929)
Proceeds from the exercise of stock options	93,477	16,290
Net cash used in financing activities	(15,024)	(76,639)
Net increase in cash and cash equivalents	24,725,325	2,432,726
Cash and cash equivalents at beginning of period	15,431,622	31,228,192
Cash and cash equivalents at end of period	$ 40,156,947	$ 33,660,918

See accompanying notes.

ENDOCYTE, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

1. Nature of Business and Organization

Endocyte, Inc. (the "Company") is a biopharmaceutical company developing targeted therapies for the treatment of cancer and inflammatory diseases. The Company uses its proprietary technology to create novel small molecule drug conjugates ("SMDCs"), and companion imaging agents. The SMDCs actively target receptors that are over-expressed on diseased cells, relative to healthy cells. This targeted approach is designed to enable the treatment of patients with a highly active drug at greater doses, delivered more frequently, and over longer periods of time than would be possible with the untargeted drug alone. The Company is also developing companion imaging agents for each of its SMDCs that are designed to identify the patients whose disease over-expresses the target of the therapy and who are therefore most likely to benefit from treatment.

2. Significant Accounting Policies

Basis of Presentation

The accompanying condensed financial statements are prepared in conformity with U.S. generally accepted accounting principles ("GAAP") for interim financial information to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals and revisions of estimates, considered necessary for a fair presentation of the accompanying condensed financial statements have been included. Interim results for the three months ended March 31, 2017 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2017 or any other future period. These condensed financial statements should be read in conjunction with the Company's audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. Subsequent events have been evaluated through the date of issuance, which is the same as the date this Form 10-Q is filed with the Securities and Exchange Commission.

Segment Information

Operating segments are defined as components of an enterprise engaging in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. All long-lived assets are held in the U.S. The Company views its operations and manages its business in one operating segment.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts may differ from those estimates.

Cash and Cash Equivalents

The Company considers cash and all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents consist primarily of FDIC insured deposits with multiple banks and money market instruments that are maintained by an investment manager.

Investments

Investments consist primarily of investments in U.S. Treasuries and corporate debt securities, which could also include commercial paper, that are maintained by an investment manager. Management determines the appropriate classification of marketable securities at the time of purchase and reevaluates such classification as of each balance sheet date. Available-for-sale securities are carried at fair value, with the unrealized gains and losses reported in other comprehensive income. Realized gains and losses and declines in value judged to be other-than-temporary on available-

for-sale securities are included in other income. The Company considers and accounts for other-than-temporary impairments according to the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 320, *Investments — Debt and Equity Securities* ("ASC 320"). The cost of securities sold is based on the specific-identification method. Discounts and premiums on debt securities are amortized to interest income and expense over the term of the security.

Revenue Recognition

The Company recognizes revenues from license and collaboration agreements when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the fee is fixed or determinable, and there is reasonable assurance that the related amounts are collectible in accordance with ASC Topic 605, *Revenue Recognition* ("ASC 605"). The Company's license and collaboration agreements may contain multiple elements, including grants of licenses to intellectual property rights, agreement to provide research and development services and other deliverables. The deliverables under such arrangements are evaluated under ASC Subtopic 605-25, *Multiple-Element Arrangements* ("ASC 605-25"). Under ASC 605-25, each required deliverable is evaluated to determine whether it qualifies as a separate unit of accounting based on whether the deliverable has "stand-alone value" to the customer. The arrangement's consideration that is fixed or determinable, excluding contingent milestone payments, is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. In general, the consideration allocated to each unit of accounting is recognized as the related goods or services are delivered, limited to the consideration that is not contingent upon future deliverables.

Upfront payments for licensing the Company's intellectual property are evaluated to determine if the licensee can obtain stand-alone value from the license separate from the value of the research and development services and other deliverables in the arrangement to be provided by the Company. If at the inception of an arrangement the Company determines that the license does not have stand-alone value separate from the research and development services or other deliverables, the license, services and other deliverables are combined as one unit of account and upfront payments are recorded as deferred revenue on the balance sheet and are recognized in a manner consistent with the final deliverable. Subsequent to the inception of an arrangement, the Company evaluates the remaining deliverables for separation as items in the arrangement are delivered. When stand-alone value is identified, the related consideration is recorded as revenue in the period in which the license or other intellectual property rights are delivered.

In those circumstances where research and development services or other deliverables are combined with the license, and multiple services are being performed such that a common output measure to determine a pattern of performance cannot be discerned, the Company recognizes amounts received on a straight line basis over the performance period. Such amounts are recorded as collaboration revenue. Any subsequent reimbursement payments, which are contingent upon the Company's future research and development expenditures, will be recorded as collaboration revenue and will be recognized on a straight-line basis over the performance period using the cumulative catch up method. The costs associated with these activities are reflected as a component of research and development expense in the statements of operations in the period incurred. In the event of an early termination of a collaboration agreement, any deferred revenue is recognized in the period in which all obligations of the Company under the agreement have been fulfilled.

Milestone payments under collaborative arrangements are triggered either by the results of the Company's research and development efforts, achievement of regulatory goals or by specified sales results by a third-party collaborator. Milestones related to the Company's development-based activities may include initiation of various phases of clinical trials and applications and acceptance for product approvals by regulatory agencies. Due to the uncertainty involved in meeting these development-based milestones, the determination is made at the inception of the collaboration agreement whether the development-based milestones are considered to be substantive (i.e. not just achieved through passage of time). In addition, the amounts of the payments assigned thereto are considered to be commensurate with the enhancement of the value of the delivered intellectual property as a result of the Company's performance. Because the Company's involvement is necessary to the achievement of development-based milestones, the Company would account for development-based milestones as revenue upon achievement of the substantive milestone events. Milestones related to sales-based activities may be triggered upon events such as first commercial sale of a product or when sales first achieve a defined level. Since these sales-based milestones would be achieved after the completion of the Company's development activities, the Company would account for the sales-based milestones in the same manner as royalties, with revenue recognized upon achievement of the milestone. Royalties based on reported sales of licensed products will be recognized based on contract terms when reported sales are reliably measurable and collectability is reasonably assured.

To date, none of the Company's products have been approved and therefore the Company has not earned any royalty revenue from product sales. In territories where the Company and a collaborator may share profit, the revenue would be recorded in the period earned.

The Company often is required to make estimates regarding drug development and commercialization timelines for compounds being developed pursuant to a collaboration agreement. Because the drug development process is lengthy and the Company's collaboration agreements typically cover activities over several years, this approach often results in the deferral of significant amounts of revenue into future periods. In addition, because of the many risks and uncertainties associated with the development of drug candidates, the Company's estimates regarding the period of performance may change in the future. Any change in the Company's estimates or a termination of the arrangement could result in substantial changes to the period over which the revenues are recognized.

Research and Development Expenses

Research and development expenses represent costs associated with the ongoing development of SMDCs and companion imaging agents and include salaries and employee benefits, supplies, facility costs related to research activities, and expenses for clinical trials. The Company records accruals for clinical trial expenses based on the estimated amount of work completed. The Company monitors patient enrollment levels and related activities to the extent possible through internal reviews, correspondence, and discussions with research organizations. In the event that a clinical trial is terminated early, the Company records, in the period of termination, an accrual for the estimated remaining costs to complete the trial.

Upfront payments made in connection with business collaborations and research and development arrangements are evaluated under ASC Subtopic 730-20, *Research and Development Arrangements* . Upfront payments made in connection with business development collaborations are expensed as research and development costs, as the assets acquired do not have alternative future use. Amounts related to future research and development are capitalized as prepaid research and development and are expensed over the service period based upon the level of services provided. As of March 31, 2017, the Company had approximately $0.6 million of capitalized research and development costs included in prepaid expenses.

Stock-Based Compensation

The Company accounts for its stock-based compensation pursuant to ASC Topic 718, *Compensation — Stock Compensation* ("ASC 718"), which requires the recognition of the fair value of stock-based compensation in net income. Stock-based compensation consists of stock options, which are granted at exercise prices at or above the fair market value of the Company's common stock on the dates of grant, service-based restricted stock units ("RSUs"), performance-based RSUs ("PRSUs"), and shares available for purchase under the Company's 2010 Employee Stock Purchase Plan ("ESPP"). For PRSUs issued by the Company, stock-based compensation expense would be recognized if and when the Company determines that it is probable that the performance conditions will be achieved. For RSUs and stock options issued by the Company, stock-based compensation expense is recognized ratably over the service period. The Company recognizes compensation cost based on the grant-date fair value estimated in accordance with the provisions of ASC 718.

Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method and the if-converted method. For purposes of this calculation, stock options, warrants, PRSUs, RSUs and shares to be purchased under the ESPP are considered to be common stock equivalents and are only included in the calculation of diluted net loss per share when their effect is dilutive.

Common stock equivalents

As of March 31, 2016 and 2017, the following number of potential common stock equivalents were outstanding:

	As of March 31,	
	2016	2017
Outstanding common stock options	6,479,347	6,860,968
Outstanding warrants	34,647	34,647
Outstanding PRSUs	213,758	—
Outstanding RSUs	469,705	616,912
Shares to be purchased under the ESPP	29,651	30,121
Total	7,227,108	7,542,648

These common stock equivalents were excluded from the determination of diluted net loss per share due to their anti-dilutive effect on earnings.

3. New Accounting Pronouncements

Recently Issued Accounting Standards

In March 2016, the FASB issued Accounting Standards Update ("ASU") 2016-09, *Improvements to Employee Share-Based Payment Accounting* , an update to ASC Topic 718, *Stock Compensation* . This guidance involves improving several aspects of the accounting for share-based payment transactions, including classification of awards as either equity or liabilities, classification on the statement of cash flows, the method of accounting for forfeitures and requiring entities to recognize all income tax effects of awards in the income statement when the awards vest or are settled. This update was effective for the Company for interim and annual reporting periods beginning January 1, 2017. In the three months ended March 31, 2017, the Company adopted this guidance using the modified retrospective method. As a result, the Company has elected to account for forfeitures as they occur and no longer estimates the number of awards expected to be forfeited. The cumulative effect related to the change in accounting for forfeitures was a $0.3 million increase to the opening balance of retained deficit at January 1, 2017. Additionally, as a result of the adoption, the Company recognized the excess tax benefits of awards that have vested or settled that had previously not been recognized as the related tax deduction had increased the Company's net operating loss carryforward. The Company determined, consistent with its accounting for existing net operating losses, that a full valuation allowance was required for the excess tax benefits. As such, the Company recognized an increase in its net operating loss carryforward deferred tax asset of $1.7 million and the valuation allowance against the net operating loss carryforward was also increased by $1.7 million, which resulted in no impact to the financial statements. The adoption of this guidance did not have a material impact on the Company's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* , an update to ASC Topic 842, *Leases* . This guidance requires lessees to recognize leases as assets and liabilities on their balance sheets but recognize expenses on their income statements in a manner similar to the current accounting guidance. For lessors, the guidance also modifies the classification criteria and the accounting for sales-type and direct finance leases. This update is effective for the Company for interim and annual reporting periods beginning January 1, 2019 unless it elects early adoption. The Company is currently evaluating the impact, if any, the adoption of this guidance will have on its financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), to clarify the principles used to recognize revenue for all entities. Under ASU 2014-09, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In order to do so, an entity would follow the five-step process for in-scope transactions: 1) identify the contract with a customer, 2) identify the separate performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the separate performance obligations in the contract, and 5) recognize revenue when (or as) the entity satisfies a performance obligation. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 by one year. Therefore, ASU 2014-09 will become effective for the Company for interim and annual reporting periods beginning after December 15, 2017. Early adoption is permitted, but not any earlier than the original effective date of December 15, 2016. An entity can apply the new revenue standard retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial

application in retained earnings. In April 2016, the FASB issued ASU 2016-10, an update to Topic 606, which clarifies how entities should identify performance obligations and evaluate licensing. In May 2016, the FASB issued ASU 2016-12, an update to Topic 606, which clarifies guidance on transition, collectability, noncash consideration and the presentation of sales and other similar taxes. In December 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers,* which affects narrow aspects of the guidance issued in ASU 2014-09. The Company is currently evaluating the impact, if any, the adoption of this guidance will have on its financial statements.

4. Other Comprehensive Income (Loss)

The following tables summarize the accumulated balances related to each component of other comprehensive income (loss) for the three months ended March 31, 2016 and 2017:

	Unrealized Net Gains (Losses) on Securities	Accumulated Other Comprehensive Gains (Losses)
Balance at December 31, 2015	$ (79,399)	$ (79,399)
Unrealized gain	110,136	110,136
Net amount reclassified to net loss	—	—
Other comprehensive income	110,136	110,136
Balance at March 31, 2016	$ 30,737	$ 30,737

	Unrealized Net Losses on Securities	Accumulated Other Comprehensive Losses
Balance at December 31, 2016	$ (41,196)	$ (41,196)
Unrealized loss	(12,681)	(12,681)
Net amount reclassified to net loss	—	—
Other comprehensive loss	(12,681)	(12,681)
Balance at March 31, 2017	$ (53,877)	$ (53,877)

5. Investments

The Company applies the fair value measurement and disclosure provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. Investments consist primarily of investments with original maturities greater than three months, but no longer than 24 months when purchased.

ASC 820 establishes a three-level valuation hierarchy for fair value measurements. These valuation techniques are based upon the transparency of inputs (observable and unobservable) to the valuation of an asset or liability as of the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 — Valuation is based on quoted prices for identical assets or liabilities in active markets.

Level 2 — Valuation is based on quoted prices for similar assets or liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for the full term of the financial instrument.

Level 3 — Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The fair value of the Company's fixed income securities is based on a market approach using quoted market values.

The following table summarizes the fair value of cash and cash equivalents and investments as of December 31, 2016:

Description	Cost	Level 1	Level 2	Fair Value (Carrying Value)
Cash				
Cash	$ 6,249,703	$ 6,249,703	$ —	$ 6,249,703
Cash equivalents				
FDIC insured deposits and money market funds	24,978,489	24,978,489	—	24,978,489
Cash and cash equivalents	$ 31,228,192	$ 31,228,192	$ —	$ 31,228,192
Short-term investments (due within 1 year)				
U.S. government treasury obligations	$ 86,078,622	$ 86,053,755	$ —	$ 86,053,755
Corporate obligations	20,941,799	—	20,925,469	20,925,469
Total short-term investments	$ 107,020,420	$ 86,053,755	$ 20,925,469	$ 106,979,224

The following table summarizes the fair value of cash and cash equivalents and investments as of March 31, 2017:

Description	Cost	Level 1	Level 2	Fair Value (Carrying Value)
Cash				
Cash	$ 4,947,113	$ 4,947,113	$ —	$ 4,947,113
Cash equivalents				
FDIC insured deposits and money market funds	28,713,805	28,713,805	—	28,713,805
Cash and cash equivalents	$ 33,660,918	$ 33,660,918	$ —	$ 33,660,918
Short-term investments (due within 1 year)				
U.S. government treasury obligations	$ 70,047,072	$ 69,996,135	$ —	$ 69,996,135
Corporate obligations	23,908,041	—	23,905,101	23,905,101
Total short-term investments	$ 93,955,113	$ 69,996,135	$ 23,905,101	$ 93,901,236

All securities held at December 31, 2016 and March 31, 2017, were classified as available-for-sale as defined by ASC 320.

Total unrealized gross gains were $8,257 and $805 as of December 31, 2016 and March 31, 2017, respectively. Total unrealized gross losses were $49,453 and $54,682 as of December 31, 2016 and March 31, 2017, respectively. The Company does not consider any of the unrealized losses to be other-than-temporary impairments because the Company has the intent and ability to hold investments until they recover in value. There were no total realized gross gains or total realized gross losses for the three months ended March 31, 2016 or March 31, 2017.

6. Collaborations

NMP License and Commercialization Agreement

In August 2013, the Company entered into a license and commercialization agreement with Nihon Medi-Physic Co., LTD. (“NMP”) that grants NMP the right to develop and commercialize etarfolatide in Japan for use in connection with vintafolide in Japan. The Company received a $1.0 million non-refundable upfront payment, is eligible for up to $4.5 million based on the successful achievement of regulatory goals for etarfolatide in five different cancer indications and is eligible to receive double-digit percentage royalties on sales of etarfolatide in Japan.

For revenue recognition purposes, the Company viewed the agreement with NMP as a multiple element arrangement. Multiple element arrangements are analyzed to determine whether the various performance obligations, or elements, can be separated or whether they must be accounted for as a single unit of accounting. The Company has identified the deliverables related to the collaboration with NMP, which include the license granted to NMP, as well as the obligation to provide pre-clinical and clinical supply of etarfolatide, to provide rights to NMP if a product is developed that replaces etarfolatide, the obligation for the Company to provide clinical data to NMP during the contract

period and the coordination of development and commercialization efforts between the Company for vintafolide and NMP for etarfolatide in Japan. The Company's deliverables will be accounted for as a single unit of account, therefore the non-refundable upfront payment is being recognized on a straight-line basis over the performance period. This determination was made because the successful development of etarfolatide in Japan requires the ongoing participation by the Company, including the development of the related therapeutic drug, vintafolide. The performance period over which the revenue will be recognized continues from the date of execution of the agreement through the end of 2033, the estimated termination date of the contract which is when the Company's performance obligations will be completed. Any significant changes in the timing of the performance period could result in a change in the revenue recognition period. The Company had deferred revenue related to the agreement of approximately $0.8 million at March 31, 2017. Subsequent to the inception of the NMP arrangement, the Company evaluates the remaining deliverables for separation as items in the arrangement are delivered.

The arrangement with NMP includes milestone payments of up to approximately $4.5 million and the milestones are based on the commencement of clinical trials in Japan for specific and non-specific indications and filing for approval in Japan for specific and non-specific indications. The Company evaluated each of these milestone payments and believes that all of the milestones are substantive as there is substantial performance risk that must occur in order for them to be met because the Company must complete additional clinical trials which show a positive outcome or receive approval from a regulatory authority and would be commensurate with the enhancement of value of the underlying intellectual property. To date, the products have not been approved in Japan and no revenue has been recognized related to the regulatory milestones or royalties as continued development of vintafolide is still an opportunity that the Company could pursue in the future.

NMP has the right to terminate the collaboration agreement on 90 days notice prior to the first commercial sale in Japan and six months notice after the first commercial sale in Japan. NMP also has the right to terminate the agreement on six months notice if the Company fails to launch vintafolide after receiving regulatory approval in Japan. NMP and the Company each have the right to terminate the agreement due to the material breach or insolvency of the other party. Upon termination of the agreement depending on the circumstances, the parties have varying rights and obligations with respect to licensing and related regulatory materials and data.

7. Stockholders' Equity (Deficit)

Stock-Based Compensation Plans

The Company has had stock-based compensation plans since 1997. The awards made under the plans adopted in 1997 and 2007 consisted of stock options. The 2010 Equity Incentive Plan (the "2010 Plan"), which is the only plan under which awards may currently be made, authorizes awards in the form of stock options, stock appreciation rights, restricted stock, RSUs, PRSUs and performance units and performance shares. Awards under the 2010 Plan may be made to employees, directors and certain consultants as determined by the compensation committee of the board of directors. There were 11,003,563 and 11,850,563 shares of common stock authorized and reserved under these plans at December 31, 2016 and March 31, 2017, respectively.

Stock Options

Under the various plans, employees have been granted incentive stock options, while directors and consultants have been granted non-qualified options. The plans allow the holder of an option to purchase common stock at the exercise price, which was at or above the fair value of the Company's common stock on the date of grant.

Generally, options granted under the 1997 and 2007 plans in connection with an employee's commencement of employment vested over a four-year period with one-half of the shares subject to the grant vesting after two years of employment and remaining options vesting monthly over the remainder of the four-year period. Options granted under the 1997 and 2007 plans for performance or promotions vested monthly over a four-year period. Generally, options granted under the 2010 Plan vest annually over a three-year or four-year period. Unexercised stock options terminate on the tenth anniversary date after the date of grant. The Company recognizes stock-based compensation expense over the requisite service period of the individual grantees, which generally equals the vesting period. The Company utilizes a Black-Scholes option-pricing model to estimate the value of stock options. The Black-Scholes model allows the use of a range of assumptions related to volatility, risk-free interest rate, employee exercise behavior and dividend yield.

Expected volatilities used in the model beginning in 2015 were based on historical volatility of the Company's stock prices.

The Company is using the "simplified" method for "plain vanilla" options to estimate the expected term of the stock option grants. Under this approach, the weighted-average expected life is presumed to be the average of the vesting term and the contractual term of the option. The risk-free interest rate assumption is derived from the weighted-average yield of a U.S. Treasury security with the same term as the expected life of the options, and the dividend yield assumption is based on historical experience and the Company's estimate of future dividend yields.

The weighted-average value of the individual options granted during the three months ended March 31, 2016 and 2017 were determined using the following assumptions:

	Three Months Ended March 31,	
	2016	2017
Expected volatility	99.37 %	93.02 %
Risk-free interest rate	1.46 %	2.12 %
Weighted-average expected life (in years)	6.3	6.3
Dividend yield	0.00 %	0.00 %

The Company's stock option activity and related information are summarized as follows:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2017	6,447,594	$ 6.41		
Granted during period	653,842	2.17		
Exercised during period	(7,757)	2.10		
Expired during period	(163,836)	8.82		
Forfeited during period	(68,875)	5.59		
Outstanding at March 31, 2017	6,860,968	$ 5.96	6.27	$ 282,786
Exercisable at March 31, 2017	5,085,833	$ 6.72	5.33	$ 29,895

As of March 31, 2017, the total remaining unrecognized compensation cost related to stock options granted was $4.4 million, which is expected to be recognized over a weighted average period of approximately 1.6 years.

Restricted Stock Units

In May 2011, the Company adopted and granted awards under a performance-based RSU program (the "2011 PRSU Program") under the 2010 Plan. All PRSU awards expired in the second quarter of 2016 when the performance deadline of May 26, 2016 passed.

RSUs are service-based awards that will vest and be paid in the form of one share of the Company's common stock for each RSU, generally in three or four equal annual installments beginning on the first anniversary of the date of grant of an RSU. As of March 31, 2017, the Company had 616,912 RSU awards outstanding. As of March 31, 2017, the total remaining unrecognized compensation cost related to RSUs was $1.7 million, which is expected to be recognized over a weighted average period of approximately 1.8 years.

The following table sets forth the number of RSUs that were granted, vested and forfeited in the period indicated:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2017	394,132	$ 4.96
Granted during period	367,985	2.17
Vested during period	(128,225)	5.77
Forfeited during period	(16,980)	3.50
Outstanding at March 31, 2017	616,912	$ 3.17

Employee Stock Purchase Plan

At January 1, 2017, 825,154 common shares were available for issuance under the ESPP. Shares may be issued under the ESPP twice a year. There were no purchases in the three months ended March 31, 2017. At March 31, 2017, there were 825,154 common shares available for issuance under the ESPP.

8. Income Taxes

The Company accounts for income taxes under the liability method in accordance with the provisions of ASC Topic 740, *Income Taxes* . The Company recognizes future tax benefits, such as net operating losses, to the extent those benefits are expected to be realized in future periods. Due to uncertainty surrounding the realization of its deferred tax assets, the Company has recorded a valuation allowance against its net deferred tax assets. The Company experienced a change in ownership as defined under Section 382 of the U.S. Internal Revenue Code in August 2011. As a result, the future use of its net operating losses and credit equivalents is currently limited to approximately $218.7 million for 2017. Any available but unused amounts will become available for use in all successive years, subject to certain limitations. Utilization of these net operating loss carryforwards would require the Company to generate future taxable income prior to their expiration. Furthermore, the utilization of the net operating loss carryforwards could be limited beyond the Company's generation of taxable income if an additional change in the underlying ownership of the Company's common stock has occurred, resulting in a limitation on the amounts that could be utilized in any given period under Section 382 of the Code.

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

This quarterly report on Form 10-Q contains certain statements that are forward-looking statements within the meaning of federal securities laws. When used in this report, the words "may," "will," "should," "could," "would," "anticipate," "estimate," "expect," "plan," "believe," "predict," "potential," "project," "target," "forecast," "intend" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include the important risks and uncertainties that may affect our future operations as discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and any other filings made with the Securities and Exchange Commission. Readers of this report are cautioned not to place undue reliance on these forward-looking statements. While we believe the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. This cautionary statement is applicable to all forward-looking statements contained in this report.

Overview

We are a biopharmaceutical company developing targeted therapies for the treatment of cancer and inflammatory diseases. We use our proprietary technology to create novel small molecule drug conjugates, or SMDCs, and companion imaging agents. Our SMDCs actively target receptors that are over-expressed on diseased cells, relative to healthy cells. This targeted approach is designed to enable the treatment of patients with highly active drugs at greater doses, delivered more frequently, and over longer periods of time than would be possible with the untargeted drug alone. We are also developing companion imaging agents for each of our SMDCs that are designed to identify the patients whose disease over-expresses the target of the therapy and who are therefore most likely to benefit from treatment. This combination of an SMDC with a companion imaging agent is designed to personalize the treatment of patients by delivering effective therapy, selectively to diseased cells, in the patients most likely to benefit. This approach is designed to yield multiple drug candidates that could treat disease through the following multiple mechanisms: by direct and targeted killing of diseased cells, by killing tumor-associated macrophages, or TAMs, which otherwise inhibit the immune system, or by activating the immune system directly by combining SMDCs with checkpoint inhibitors or our chimeric antigen receptor T-cell (CAR T-cell) immunotherapy approach.

For the three months ended March 31, 2017, we had a net loss of $11.5 million compared to a net loss of $10.2 million for the three months ended March 31, 2016. We had a retained deficit of $265.4 million at March 31, 2017. We expect to continue to incur significant operating losses for the next several years as we pursue the advancement of our SMDCs and companion imaging agents through the research, development, regulatory and commercialization processes. Our operating costs were higher for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily as a result of increases in trial and manufacturing expense for EC1169, research and development expenses related to the development of EC2629, our folate-pro pyrrolobenzodiazepine, or pro-PBD, DNA crosslinker drug and other pre-clinical work and general research, and trial expense for EC1456, which were partially offset by a decrease in compensation expense.

Research and development expenses relating to EC1169, our first non-folate SMDC, increased in the three months ended March 31, 2017 compared to the three months ended March 31, 2016, as we continued to enroll patients in a phase 1b trial to evaluate EC1169 in up to 100 taxane-exposed and taxane-naïve metastatic castration-resistant prostate cancer, or mCRPC, patients at a maximum clinical once per week dose of 6.5 mg/m^2. We have developed a companion imaging agent, EC0652, to scan patients prior to therapy to identify the presence of prostate-specific membrane antigen, or PSMA. Patients are scanned with EC0652, and while we are not limiting enrollment based on the results of the scan, the primary endpoints of the trial are to be assessed in PSMA-positive patients. To date, EC0652 has shown the presence of PSMA in at least one lesion in all prostate cancer patients scanned, but variability in the intensity of PSMA presence allows for selection criteria designed to enrich the patient population. The primary endpoint of this expansion phase is radiographic progression-free survival, or rPFS, with a target of five months for taxane-naïve mCRPC patients and three months for taxane-exposed mCRPC patients, and the secondary endpoints, which will provide earlier insight into drug activity, include overall response rates as measured by Response Evaluation Criteria in Solid Tumors, or RECIST, 1.1 and prostate-specific antigen, or PSA. We expect to provide safety and efficacy data updates regarding the phase 1b trial in the second quarter of 2017. Enrollment in an EC1169 receptor occupancy study is expected to begin in 2017 which is designed to provide insight into the drug's interaction with the target receptor. Data regarding the EC1169 receptor occupancy study is expected in the second half of 2017.

Research and development expenses relating to EC1456, our second generation SMDC, were slightly higher for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 as we continued to enroll select folate receptor positive, or FR-positive, patients as determined by an etarfolatide scan in a phase 1b trial to evaluate EC1456 in up to 40 patients with non-small cell lung cancer, or NSCLC, at the maximum clinical dose of 6.0 mg/m^2 for a twice per week dosing schedule. Patients included in this expansion phase of the trial will have received first-line chemotherapy and may have also been treated with anti-programmed cell death-1 receptor, or anti-PD-1, therapy. We have also recently completed enrollment of a more frequent dosing schedule, four times per week, in indications that are typically FR-positive, such as ovarian and endometrial cancers. EC1456 has progressed in the phase 1 trial to a dose that exceeds the dose of vintafolide delivered in trials to date. In the phase 1b trial, we will evaluate single agent tumor response in NSCLC, which will inform future development. We expect to provide safety and efficacy data updates for EC1456 in the second quarter of 2017. We are also currently conducting an ovarian cancer surgical study to characterize EC1456 at the tumor level through a multifaceted analysis of collected tissue samples after administration of the drug.

As of March 31, 2017, our cash, cash equivalents and investments were $127.6 million. We believe that our current cash balance will be sufficient to fund our current operating plan, including the advancement of our pipeline.

Critical Accounting Policies

Our significant accounting policies are described in more detail in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Other than the adoption of ASU 2016-09 effective January 1, 2017 as discussed in Note 3 – New Accounting Pronouncements of the Notes to Condensed Financial Statements contained in Part I, Item 1 herein, there were no changes in the three months ended March 31, 2017 to the application of the accounting policies that are critical to the judgments and estimates used in the preparation of our condensed financial statements.

Results of Operations

Comparison of Three Months Ended March 31, 2016 to Three Months Ended March 31, 2017

	Three Months Ended March 31,		$ Increase/	% Increase/
	2016	2017	(Decrease)	(Decrease)
	(In thousands)			
Statement of operations data:				
Collaboration revenue	$ 12	$ 12	$ —	—
Operating expenses:				
Research and development	6,531	7,994	1,463	22 %
General and administrative	3,820	3,745	(75)	(2)%
Total operating expenses	10,351	11,739	1,388	13 %
Loss from operations	(10,339)	(11,727)	(1,388)	(13)%
Interest income, net	189	235	46	24 %
Other income (expense), net	(3)	3	6	200 %
Net loss	$ (10,153)	$ (11,489)	$ (1,336)	(13)%

Revenue

Our revenue of $12,500 in the three months ended March 31, 2017 and the three months ended March 31, 2016 related to the amortization of the $1.0 million non-refundable upfront payment from Nihon Medi-Physic Co., LTD, or NMP.

Research and Development

The increase in research and development expenses for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 was primarily attributable to an increase of $1.0 million related to the phase 1 trial and manufacturing expense for EC1169, an increase of $0.5 million related to the development of EC2629, an increase of $0.5 million related to other pre-clinical work and general research, and an increase of $0.2 million related to the phase 1 trial expense for EC1456, which were partially offset by a decrease of $0.7 million related to non-cash stock-based compensation expense.

Included in research and development expenses were stock-based compensation charges of $1.4 million and $0.7 million for the three months ended March 31, 2016 and 2017, respectively.

Research and development expenses included expenses of $0.3 million for each of three months ended March 31, 2016 and 2017, for company-funded research at Purdue University, the primary employer of our Chief Science Officer.

General and Administrative

General and administrative expenses decreased slightly in the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily due to a $0.4 million decrease in compensation expense, of which $0.3 million related to stock-based compensation, which was partially offset by an increase of $0.3 million in professional fees.

Included in general and administrative expenses were stock-based compensation charges of $0.7 million and $0.4 million for the three months ended March 31, 2016 and 2017, respectively.

Interest Income, Net

The increase in interest income, net in the three months ended March 31, 2017 compared to the three months ended March 31, 2016 resulted from an increase of $101,000 in the interest rate yield during the three months ended March 31, 2017 as compared to the three months ended March 31, 2016, partially offset by a decrease of $55,000 due to the lower average short-term investment balances. There were no long-term investment balances at March 31, 2016 or 2017.

Liquidity and Capital Resources

We have funded our operations principally through sales of equity and debt securities, revenue from strategic collaborations, grants, and loans. As of March 31, 2017, we had cash, cash equivalents and investments of $127.6 million. The following table sets forth the primary sources and uses of cash for each of the periods set forth below:

	Three Months Ended March 31,	
	2016	2017
	(in thousands)	
Net cash used in operating activities	$ (10,136)	$ (10,483)
Net cash provided by investing activities	34,876	12,993
Net cash used in financing activities	(15)	(77)
Net increase in cash and cash equivalents	$ 24,725	$ 2,433

Operating Activities

The cash used in operating activities for the three months ended March 31, 2016 and 2017 primarily resulted from our net loss adjusted for non-cash items and changes in operating assets and liabilities.

Investing Activities

The cash provided by investing activities during each of the three months ended March 31, 2016 and 2017 was due to the net result of maturities and purchases of investments, which was partially offset by capital expenditures for equipment of $36,000 and $30,000, respectively.

Financing Activities

The cash used in financing activities during the three months ended March 31, 2016 and 2017 consisted of stock repurchases for RSUs that vested during the period, which was partially offset by proceeds from the exercise of stock options.

Operating Capital Requirements

We anticipate that we will continue to incur significant operating losses for the next several years as we pursue the advancement of our SMDCs and companion imaging agents through the research, development, regulatory and, potentially, the commercialization processes.

As of March 31, 2017, our cash, cash equivalents and investments were $127.6 million. We believe that our current cash balance will be sufficient to fund our current operating plan, including the advancement of our pipeline.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amounts of our working capital requirements. Our future funding requirements will depend on many factors, including but not limited to:

- the number and characteristics of the SMDCs and companion imaging diagnostics we pursue;
- the scope, progress, results and costs of researching and developing our SMDCs and companion imaging diagnostics and conducting pre-clinical and clinical trials;

- the timing of, and the costs involved in, obtaining regulatory approvals for our SMDCs and companion imaging diagnostics;
- the cost of commercialization activities if any of our SMDCs and companion imaging diagnostics are approved for sale, including marketing sales and distribution costs;
- the cost of manufacturing any SMDCs and companion imaging diagnostics we successfully commercialize;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of such litigation; and
- the timing, receipt and amount of sales of, or royalties on, our SMDCs and companion imaging diagnostics, if any.

If our available cash, cash equivalents and investments are insufficient to satisfy our liquidity requirements, or if we develop additional opportunities to pursue, we may seek to sell additional equity or debt securities or obtain new loans or credit facilities. The sale of additional equity securities may result in additional dilution to our stockholders. If we raise additional funds through the issuance of debt securities or convertible preferred stock, these securities may have rights senior to those of our common stock and could contain covenants that would restrict our operations. We may require additional capital beyond our currently forecasted amounts. Any such required additional capital may not be available on reasonable terms, if at all. If we were unable to obtain additional financing, we may be required to reduce the scope of, delay or eliminate some or all of our planned research, development and commercialization activities, which could harm our business.

Contractual Obligations and Commitments

There have been no significant changes during the three months ended March 31, 2017 to the items that we disclosed as our contractual obligations and commitments in our Form 10-K for the year ended December 31, 2016.

Off-Balance Sheet Arrangements

None.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to market risk related to changes in interest rates. As of March 31, 2017, we had cash, cash equivalents and investments of $127.6 million. The investments consisted of U.S. government money market funds, U.S. Treasuries, U.S. corporate debt securities and cash equivalents. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Our short-term investments are subject to interest rate risk and will fall in value if market interest rates increase. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, an immediate 10 percent change in interest rates would not have a material effect on the fair market value of our portfolio. We have the ability to hold our short-term investments until maturity, and therefore we do not expect that our results of operations or cash flows would be adversely affected by any change in market interest rates on our investments. We carry our investments based on publicly available information. We do not currently have any investment securities for which a market is not readily available or active.

We do not believe that any credit risk is likely to have a material impact on the value of our assets and liabilities.

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

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures. Based on that evaluation, our principal executive officer and principal financial officer concluded that

our disclosure controls and procedures as of such date are effective at the reasonable assurance level in ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the three months ended March 31, 2017, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. ***Legal Proceedings***

None.

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

You should carefully consider the risks and uncertainties we describe in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 before deciding to invest in, or retain, shares of our common stock. Additional risks and uncertainties not presently known to us or that are currently not believed to be significant to our business may also affect our actual results and could harm our business, financial condition, results of operations, cash flows or stock price. If any of these risks or uncertainties actually occurs, our business, financial condition, results of operations, cash flows or stock price could be materially and adversely affected. There have been no material changes to the risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Unregistered Sales of Securities

None.

Item 6. ***Exhibits***

See the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q.

SIGNATURES

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

ENDOCYTE, INC.

Date: May 10, 2017

By: /s/ Michael A. Sherman
Michael A. Sherman
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 10, 2017

By: /s/ Michael T. Andriole
Michael T. Andriole
Chief Financial Officer
(Principal Financial Officer)

Date: May 10, 2017

By: /s/ Beth A. Taylor
Beth A. Taylor
Vice President of Finance and Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT INDEX

Exhibit Number		Description
3.1		Amended and Restated Certificate of Incorporation of Endocyte, Inc. (incorporated by reference from Exhibit 3.1 to Annual Report on Form 10-K for the year ended December 31, 2010 filed March 18, 2011).
3.2		Amended and Restated Bylaws of Endocyte, Inc. (incorporated by reference to Exhibit 3.2 to Annual Report on Form 10-K for the year ended December 31, 2010 filed March 18, 2011).
10.1	*	Amendments #14 through #19 to the Amended and Restated Exclusive License Agreement dated October 21, 1998 between Endocyte, Inc. and Purdue Research Foundation, as amended.
10.2		Second amendment to the Exclusive License Agreement effective March 1, 2010 between Endocyte, Inc. and Purdue Research Foundation, as amended.
10.3	*	Amendments #1 through #8 to the Master License Agreement effective July 1, 2013 between Endocyte, Inc. and Purdue Research Foundation, as amended.
31.1		Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 of the Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2		Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 of the Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1		Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101		The following materials from Endocyte, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, formatted in Extensible Business Reporting Language (XBRL) includes: (i) Condensed Balance Sheets at December 31, 2016 and March 31, 2017, (ii) Condensed Statements of Operations and Comprehensive Loss for the three months ended March 31, 2016 and 2017, (iii) Condensed Statement of Stockholders' Equity (Deficit) for the three months ended March 31, 2017, (iv) Condensed Statements of Cash Flows for the three months ended March 31, 2016 and 2017 and (v) Notes to Condensed Financial Statements.

* Application has been made to the Securities and Exchange Commission to seek confidential treatment of certain provisions of this exhibit. Omitted material for which confidential treatment has been requested has been filed separately with the Securities and Exchange Commission.

CONFIDENTIAL TREATMENT REQUESTED
Portions of this Exhibit have been redacted pursuant to a request for confidential treatment under Rule 24b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended. Omitted information, marked "[*]" in this Exhibit, has been filed separately with the Securities and Exchange Commission together with such request for confidential treatment.

AMENDMENT #14

TO LICENSE AGREEMENT ID LA0003Endocyte

Between Purdue Research Foundation and Endocyte Corporation

THIS AMENDMENT, made and entered into this 30'" day of January, 20 I 5 ("Amendment Effective Date") amends the Amended and Restated License Agreement executed on October 21 st , 1998, and all subsequent Amendments (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte Corporation (hereinafter known as LICENSEE) with respect to the matters addressed in this Agreement.

NOW THEREFORE, the patties hereto do hereby agree as follows:

1. The technology, "Folate-Based Chimeric Antigen Receptor (CAR) T-Cells as Anti-Cancer Therapeutics" PRF Reference No. 66212 is added to Append ix A of the AGREEMENT.
2. The following Patents are added to Appendix A of the Agreement:

/

PRF Ref. No.	Application #	Status	Type	Filing Date	Funding
66212-01	61/740,384	Converted	Provisional	12/20/2012	Endocyte
66212-02	PCT/US2013/076986	Published	PCT	12/20/2013	Endocyte

All other terms and conditions of the original agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte Corporation

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

By: __ /s/ Frank Razavi ____ By: __ /s/ P. Ron Ellis_____

Frank Razavi P. Ron Ellis
Acting Director, Corporate & New Ventures President/CEO
OTC

Date: _ 2-17-2015_____ Date: _ 11 Feb 2015_____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #15

TO LICENSE AGREEMENT ID LA0003Endocyte

Between Purdue Research Foundation and Endocyte Corporation

THIS AMENDMENT, made and entered into this 20th day of May, 2015 ("Amendment Effective Date") amends the Amended and Restated License Agreement executed on October 21st, 1998, and all subsequent Amendments (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte Corporation (hereinafter known as LICENSEE) with respect to the matters addressed in this Agreement.

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The Eligible Disclosure, "Discovery of Synergy Between Folate-hapten Mediated Immunotherapy and Receptor Tyrosine Kinase (rtk) Inhibitors for the Treatment of Cancers" PRF Reference No. 66939 is added to Appendix A of the AGREEMENT.

All other terms and conditions of the original agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte Corporation

By: ___ /s/ Chad A. Pittman __ By: __ /s/ P. Ron Ellis_____

Chad A. Pittman P. Ron Ellis
Vice President President/CEO

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Date: ___ 1 June 2015_____ Date: ___ 29 May 2015_____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #16

TO LICENSE AGREEMENT ID LA0003Endocyte

Between Purdue Research Foundation and Endocyte Corporation

THIS AMENDMENT, made and entered into thi s 4th day of June, 2015 ("Amendment Effective Date") amends the Amended and Restated License Agreement executed on October 21st, 1998, and all subsequent amendments (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Incorporated (hereinafter known as LICENSEE) with respect to the matters addressed in this agreement.

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The Eligible Disclosures, "Endosomal Escape" PRF Reference No. 65668 and PRF Ref. No. 67126 "A New Mechanism for Release of Endosomal Contents: Osmotic Disruption of Endosomes Via Nigericin-Mediated Potassium-Hydrogen Ion Exchange" have been combined and filed in US 62/159,659 and are added to Appendix A of the AGREEMENT.

All other terms and conditions of the original agreement r emain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte, Incorporated

By: ___ /s/ Chad A. Pittman___By: ____ P. Ron Ellis____

Chad A. Pittman P. Ron Ellis
Vice President President/CEO

Date: __ July 28, 2015_____ Date: ___ June 17, 2015_____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #17

TO LICENSE AGREEMENT ID LA0003Endocyte

Between Purdue Research Foundation and Endocyte Corporation

THIS AMENDMENT, made and entered into this 24th day of June, 2016 ("Amendment Effective Date") amends the Amended and Restated License Agreement executed on October 21st, 1998, and all subsequent Amendments (herein after AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE) with respect to the matters addressed in this Agreement.

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The following Eligible Disclosure is added to Appendix A of the AGREEMENT:

Title of Eligible Disclosure:	[*]
PRF Reference Number for Eligible Disclosure:	[*]
Contributors of the Eligible Disclosure:	[*]

2. The following Licensed Patents are added to Appendix A of the Agreement:

PRF Reference No.	**Title of Application**	**Serial Number**	**Inventors**	**Filing Date**	**Country**	**Status**
[*]	[*]	[*]	[*]	[*]	[*]	[*]

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

All other terms and conditions of the original agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Effective Date.

Purdue Research Foundation **Endocyte, Inc.**

By: /s/ Emily G. Najem By: /s/ Mike Sherman

Name: Emily G. Najem Name: Mike Sherman

Title: Corporate Counsel Title: CEO

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #18

TO LICENSE AGREEMENT ID LA0003Endocyte

Between Purdue Research Foundation and Endocyte Corporation

THIS AMENDMENT, made and entered into this 24th day of June , 20 1 6 ("Ame ndment Effective Date") amends the Amended and Restated License Agreement executed on October 21, 1 998, and all subsequent Amendments (here i nafter AGREEMENT) between Purdue Research Found ati on (hereinafter known as PRF) and Endocyte, Inc. (here i nafter known as LICENSEE) with respect to the matt e r s addressed in thi s Agreement.

NOW THEREFORE , the parties here t o do hereby agree as follows:

1. The fo ll owing Eligib l e Disc l osure is added to Appendix A of the AGREEMENT:

Tit le of E li g ible Disclosure:	Method o f Treati n g Cancer by Targeting Tumor - Associated Macrophages
PRF Refere nce Nu mbe r for Eligib le Disclosure:	67565
Co ntribut ors of th e E li gib le Disclosure:	Ph ilip S. Low -Purdue U ni ve r s it y Y i ngjuan Lu - E n docyte, Inc. Leroy Wheeler - Endocyte, Inc. C hri s topher L eamo n - E ndo cyte, Inc.

2. The following Licensed P aten t s are added to Appendix A of the Agreement:

PRF Reference No.	Title of Application	Ser i al N um ber	Inven t ors	F illin g Date	Country	Status
67565-03	Methods of Treating Cancer by Targeting Tu mor- Associated Macrophages	PCT/US2 015 / 06239 5	Philip S. Low Yingj u a n Lu Leroy Wheeler C hri s Leamon	11-24-15	WO	Fi l ed

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

All other terms and conditions of the original agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Effective Date.

Purdue Research Foundation	**Endocyte, Inc.**
By: /s/ Emily G. Najem	By: /s/ Mike Sherman
Name: Emily G. Najem	Name: Mike Sherman
Title: Corporate Counsel	Title: CEO

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #19

TO LICENSE AGREEMENT ID LA0003Endocyte

Between Purdue Research Foundation and Endocyte Corporation

THIS AMENDMENT, made and entered into this 21st day of February, 2017 ("Amendment Effective Date") amends the Amended and Restated License Agreement executed on October 21st, 1998, and all subsequent Amendments (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE) with respect to the matters addressed in this Agreement.

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The technology, "Folate-Based Chimeric Antigen Receptor (CAR) T-Cells as Anti-Cancer Therapeutics" PRF Reference No. 66212 ("Technology") and all license and patent rights of the Technology granted under the AGREEMENT are terminated.

2. The following Patents are removed from Appendix A of the AGREEMENT:

PRF Ref #	Title of Application	Application Number	Inventors	Filing Date	Country	Status
66212-01	Adoptive Cell Therapy Using Chimeric Antigen Receptor expressing T Cells for the Treatment of Cancers	61/740,384	P. Low	Dec. 20, 2012	United States (Provisional)	Converted
66212-02	CHIMERIC ANTIGEN RECEPTOR-EXPRESSING T CELLS AS ANTI-CANCER THERAPEUTICS	PCT/US2013/076986	P. Low, H. Chu, and Y. Lee	Dec. 20, 2013	PCT	Nationalized

3. All other terms and conditions of the AGREEMENT remain unchanged and in effect.

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Effective Date.

Purdue Research Foundation Endocyte, Inc.

By: _____ /s/ Emily G. Najem_____ By: ___ /s/ Mike Sherman____

Name: ____ Emily G. Najem_____ Name: ___ Mike Sherman_____

Title: _____ Corporate Counsel_____ Title: _____ President and CEO__

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Second Amendment to the Amended and Restated License Agreement made effective on March 1, 2010 between the Purdue Research Foundation and Endocyte, Inc. ("Agreement")

This second amendment ("Amendment"), made and entered effective as of the 1 st day of March, 2010 (the "Effective Date") between Endocyte, Inc., with a place of business at 3000 Kent Avenue, Suite A1-100, West Lafayette, IN 47906 ("Client"), and, Purdue Research Foundation, having a place of business at 1281 Win Hentschel Blvd., West Lafayette, IN 47906.

WHEREAS, the name of the party Endocyte, Inc. is incorrectly referred to as "Endocyte Corporation" in the Agreement, the parties desire to amend the Agreement to correct the error and agree to the following amendments to the Agreement:

1. All references to "Endocyte Corporation" shall be amended to read "Endocyte, Inc."

2. All other terms and conditions of the Agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have duly executed, or caused to be executed, this Amendment as of the Effective Date. The undersigned further asserts that he/she possesses the actual authority to enter into this Amendment on behalf of his/her corporation or business entity.

Agreed to and Accepted:

Purdue Research Foundation Endocyte

By: /s/ Emily G. Najem **By:** /s/ P. Ron Ellis
Signature Signature

Emily G. Najem P. Ron Ellis
Printed Name Printed Name

Corporate Counsel President and CEO
Title Title

July 23, 2015 July 23, 2015
Date Date

CONFIDENTIAL TREATMENT REQUESTED
Portions of this Exhibit have been redacted pursuant to a request for confidential treatment under Rule 24b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended. Omitted information, marked "[*]" in this Exhibit, has been filed separately with the Securities and Exchange Commission together with such request for confidential treatment.

AMENDMENT #1

TO LICENSE AGREEMENT ID 2014-0052

Between Purdue Research Foundation and Endocyte, Inc.

THIS AMENDMENT, made and entered into this 29th day of June, 2015 ("Amendment Effective Date") amends the Master License Agreement entered into and effective as of July 1, 2013 and all subsequent Amendments (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE) with respect to the matters addressed in this Agreement.

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The following Elected Eligible Disclosure is added to Schedule A of the AGREEMENT:

Title of Elected Eligible Disclosure:	Targeting the Cholecystokinin-B / Gastrin Receptor for Imaging and Therapy of Receptor Expressing Cells
PRF Reference Number for Elected Eligible Disclosure:	66125
Contributors of the Elected Eligible Disclosure:	Philip S. Low Charity Wayua

2. The following Licensed Patents are added to Schedule A of the Agreement:

PRF Reference No.	Title of Application	Serial Number	Inventors	Filling Date	Country	Status
66125.P1.US	Development of Targeted Imaging Agents For Cholecystokinin 2 Receptor Expressing Cancers	61/602,831	Philip S. Low and Charity Wayua	2/24/2012	US	Converted
66125-02	Cholecystokinin B receptor targeting for imaging and therapy	PCT/US2013/027463	Philip S. Low and Charity Wayua	2/22/2013	WO	Nationalized
66125-03	Cholecystokinin B receptor targeting for imaging and therapy	14/380,273	Philip S. Low and Charity Wayua	8/21/2014	US	Filed

3. [*].

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

4. All other terms and conditions of the Agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte, Inc.

By: _ /s/ Chad A. Pittman_____ By: ___ /s/ P. Ron Ellis_____
Chad A. Pittman, Vice President P. Ron Ellis, President/CEO

Date: ___ July 27, 2015_____ Date: ____ July 22, 2015_____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #2

TO LICENSE AGREEMENT ID 2014-0052

Between Purdue Research Foundation and Endocyte, Inc.

THIS AMENDMENT, made and entered into this 18"" day of April, 2016 ("Amendment Effective Date") amends the Master License Agreement entered into and effective as of July 1, 2013 and all subsequent Amendments (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE) with respect to the matters addressed in this Agreement.

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The following Elected Eligible Disclosures are added to Schedule A of the AGREEMENT:

Title of Elected Eligible Disclosure:	[*]
PRF Reference Number for Elected Eligible Disclosure:	[*]
Contributors of the Elected Eligible Disclosure:	[*]

Title of Elected Eligible Disclosure:	[*]
PRF Reference Number for Elected Eligible Disclosure:	[*]
Contributors of the Elected Eligible Disclosure:	[*]

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

2. The following Licensed Patents are added to Schedule A of the Agreement:

PRF **Reference** No.	Title of Application	Serial Number	**Inventors**	Filling Date	Conntry	Status
[*]	[*]	[*]	[*]	[*]	[*]	[*]

All other term s and condition s of the original agreement remain unchanged and in effect.

IN W ITNE SS WHEREOF, th e parties h ereto h ave executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte, Inc.

By: __ /s/ Brooke Beier ___ By: _ _/s/ Eyal H. Barash _____

Brooke L. Beier, Ph.D.
A s st. Director of Business Dev e l opme nt

Date: ___ May 10, 2016 ___

Eyal H. Barash

Chief Intellectual Property Counsel

Date: ____ May 10, 2016 _____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #3

TO LICENSE AGREEMENT ID 2014-0052

Between Purdue Research Foundation and Endocyte, Inc.

THIS AMENDMENT, made and entered into this 18 th day of April, 2016 ("Amendment Effective Date") amends the Master License Agreement entered into and effective as of July 1, 2013 and all subsequent Amendments (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE) with respect to the matters addressed in this Agreement.

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The following Elected Eligible Disclosure is added to Schedule A of the AGREEMENT:

Title of Elected Eligible Disclosure:	[*]
PRF Reference Number for Elected Eligible Disclosure :	[*]
Contributors of the Elected Eligible Disclosure:	[*]

2. The following Licensed Patents are added to Schedule A of the Agreement:

PRF Reference No.	Title of Application	Serial Number	Inventors	Filling Date	Country	Status
[*]	[*]	[*]	[*]	[*]	[*]	[*]

A1I other terms and conditions of the original agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written .

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Purdue Research Foundation Endocyte, Inc.

By: ___ /s/ Brooke Beier_____ By: __ /s/ Eyal H. Barash____

Brooke L. Beier, Ph.D.
Asst. Director of Business Development Dat e : May 10, 2016

Eyal H. Barash
Chief Intellectual Property Counsel

Date : _____May 10, 2016_____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #4

TO LICENSE AGREEMENT ID 2014-0052

Between Purdue Research Foundation and Endocyte, Inc.

THIS AMENDMENT, made and entered into this 21st day of February 2017 ("Amendment Effective Date") amends the Master License Agreement entered into and effective as of July 1, 2013 and all subsequent Amendments (hereinafter "Agreement") between Purdue Research Foundation (hereinafter known as "PRF") and Endocyte, Inc. (hereinafter known as "Endocyte") with respect to the matters addressed in this Agreement.

WHEREAS, Purdue University continues to develop technologies and scientific advances in the laboratory of Professor Philip Low funded by Endocyte, Inc.; and

WHEREAS, Endocyte wishes to continue licensing such technologies and scientific advances under the Agreement,

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. Section 1.20 shall be replaced in its entirety with:
   1.20 "Target" means (i) a cell surface receptor to which a Small Molecule Drug Conjugate(as defined in the MRA) is directed or (ii) a one or more of a tumor, macrophage or fibroblast (or any other naturally occurring) cell surface receptor for use with chimeric antigen receptor T-cell ("CAR-T") constructs. A non-limiting list of Targets is set forth in Exhibit I.

2. Section 3.5 shall be added as follows:

   3.5 Section 3.4 shall not apply to Validated Disclosures that only disclose Targets within Section 1.20(ii). Such milestones shall be developed using Commercially Reasonable Efforts by the Parties in good faith and shall be appended to this Agreement as Exhibit 2. Section 4.1.2 shall not apply to an Elected Eligible Disclosure (whether Validated or not) that is only directed to a Target within Section 1.20(ii). Section 4.1.2 and 3.4 shall apply to such Disclosures that Endocyte has elected to timely add pursuant to the MRA as an Elected Eligible Disclosure for a Target under Section 1.20(i), in which case the Elected Eligible Disclosure for the Target under Section 1.20(i) shall be treated as a separate

Elected Eligible Disclosure with the Election Date being the date Endocyte notifies PRF of its intention to begin its evaluation under Section 3.1.

3. Section 1.7 is amended and restated as follows:

1.7 "Endocyte Contribution" means, with respect to an Eligible Disclosure, (i) use of materials by Purdue Personnel supplied by Endocyte to Purdue University pursuant to material transfer documentation between Endocyte and Purdue University or (ii) inventive contribution made entirely outside of Purdue University by an Endocyte employee. The Parties agree with respect to Eligible Disclosures directed to CAR-T Targets, for purposes of Section 4.2, and Section 1.7(i) notwithstanding, such Eligible Disclosures are deemed made with no Endocyte Contribution.

4. The schedule in Section 4.2 of the Master License Agreement is amended to read as follows:

Gross Receipts	Licensed Technology covered by a Valid Claim with no Endocyte Contribution to underlying Eligible Disclosure	Licensed Technology covered by a Valid Claim with Endocyte Contribution to underlying Eligible Disclosure
[*]	[*]	[*]
[*]	[*]	[*]

All other terms and conditions of the original agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte, Inc.

By: ____ /s/ Brooke Beier_____ By: ____ /s/ Mike Sherman___
Mike Sherman
President & CEO

Date: ___ 3-2-2017_____ Date: ___ 2-23-17_____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #5

TO LICENSE AGREEMENT ID 2014-0052

Between Purdue Research Foundation and Endocyte, Inc.

THIS AMENDMENT, made and entered into this 22nd day of February 2017 ("Amendment Effective Date") amends the Master License Agreement entered into and effective as of July 1, 2013 and all subsequent Amendments (hereinafter "Agreement") between Purdue Research Foundation (hereinafter known as "PRF") and Endocyte, Inc. (hereinafter known as "Endocyte") with respect to the matters addressed in this Agreement.

WHEREAS, Purdue University continues to develop technologies and scientific advances in the laboratory of Professor Philip Low funded by Endocyte, Inc.; and

WHEREAS, Endocyte wishes to continue licensing such technologies and scientific advances under the Agreement,

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The following Elected Eligible Disclosure is added to Schedule A for a Target under Section 1.20(ii):

Title of Elected Eligible Disclosure	Folate-Based Chimeric Antigen Receptor (CAR) T-Cells as Anti-Cancer Therapeutics
PRF Reference Number of Elected Eligible Disclosure	66212
Contributors of the Elected Eligible Disclosure	P. Low, H. Chu, and Y. Lee

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

2. The following Licensed Patents are added to Schedule A of the Agreement for a Target under Section 1.20(ii).

PRF Ref #	Title of Application	Application Number	Inventors	Filing Date	Country	Status
66212-01	Adoptive Cell Therapy Using Chimeric Antigen Receptor expressing T Cells for the Treatment of Cancers	61/740,384	P. Low	Dec. 20, 2012	United States (Provisional)	Converted
66212-02	CHIMERIC ANTIGEN RECEPTOR-EXPRESSING T CELLS AS ANTI-CANCER THERAPEUTICS	PCT/US2013/076986	P. Low, H. Chu, and Y. Lee	Dec. 20, 2013	PCT	Nationalized
66212-03	CHIMERIC ANTIGEN RECEPTOR-EXPRESSING T CELLS AS ANTI-CANCER THERAPEUTICS	14/654,227	P. Low, H. Chu, and Y. Lee	June 19, 2015	United States (Non-provisional)	Abandoned
	CHIMERIC ANTIGEN RECEPTOR-EXPRESSING T CELLS AS ANTI-CANCER THERAPEUTICS	15/296,666	P. Low, H. Chu, and Y. Lee	Oct. 8, 2016	United States (Non-provisional)	Pending
66212-04	CHIMERIC ANTIGEN RECEPTOR-EXPRESSING T CELLS AS ANTI-CANCER THERAPEUTICS	European Patent Application No. 13 864 097.4	P. Low, H. Chu, and Y. Lee	Dec. 20. 2013	Europe	Pending

3. Endocyte shall pay PRF $[*] to fulfill the Validate Disclosure Fee within 30 days of Amendment Execution Date.

All other terms and conditions of the original agreement remain unchanged and in effect.

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte, Inc.

By: ___ /s/ Brooke Beier_____ By: ____ /s/ Mike Sherman_____
Mike Sherman
President & CEO

Date: __3-2-2017_____ Date: _____2-23-17_____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #6

TO LICENSE AGREEMENT ID 2014-0052

Between Purdue Research Foundation and Endocyte, Inc.

THIS AMENDMENT, made and entered into this 22nd day of February 2017 ("Amendment Effective Date") amends the Master License Agreement entered into and effective as of July 1, 2013 and all subsequent Amendments (hereinafter "Agreement") between Purdue Research Foundation (hereinafter known as "PRF") and Endocyte, Inc. (hereinafter known as "Endocyte") with respect to the matters addressed in this Agreement.

WHEREAS, Purdue University continues to develop technologies and scientific advances in the laboratory of Professor Philip Low funded by Endocyte, Inc.; and

WHEREAS, Endocyte wishes to continue licensing such technologies and scientific advances under the Agreement,

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The following Elected Eligible Disclosure is added to Schedule A of the Agreement for a Target under Section 1.20(ii).

Title of Elected Eligible Disclosure	[*]
PRF Reference Number of Elected Eligible Disclosure	[*]
Contributors of the Elected Eligible Disclosure	[*]

2. The following Licensed Patents are added to Schedule A of the Agreement for a Target under Section 1.20(ii).

PRF Ref #	Title	App #	Inventors	Filing Date	Country	Status
[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]

All other terms and conditions of the original agreement remain unchanged and in effect.

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte, Inc.

By: _____/s/ Brooke Beier_____ By: __ /s/ Mike Sherman___
Mike Sherman
President & CEO

Date: ____ 3-2-2017_____ Date: ___ 2-23-17____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #7

TO LICENSE AGREEMENT ID 2014-0052

Between Purdue Research Foundation and Endocyte, Inc.

THIS AMENDMENT, made and entered into this 22nd day of February 2017 ("Amendment Effective Date") amends the Master License Agreement entered into and effective as of July 1, 2013 and all subsequent Amendments (hereinafter "Agreement") between Purdue Research Foundation (hereinafter known as "PRF") and Endocyte, Inc. (hereinafter known as "Endocyte") with respect to the matters addressed in this Agreement.

WHEREAS, Purdue University continues to develop technologies and scientific advances in the laboratory of Professor Philip Low funded by Endocyte, Inc.; and

WHEREAS, Endocyte wishes to continue licensing such technologies and scientific advances under the Agreement,

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The following Elected Eligible Disclosure is added to Schedule A of the Agreement for a Target under Section 1.20(ii).

Title of Elected Eligible Disclosure	Design and Development of Neurokinin-1 Receptor Targeted Small Molecule Drug Conjugates on Cancers
PRF Reference Number of Elected Eligible Disclosure	66862
Contributors of the Elected Eligible Disclosure	P. Low and A. Kanduluru

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

2. The following Licensed Patents are added to Schedule A of the Agreement for a Target under Section 1.20(ii).

PRF Ref #	Title	App #	Inventors	Filing Date	Country	Status
66862-01	Design and Development of Neurokinin-1 Receptor-Binding Agent Delivery Conjugates	62/035,423	Philip Low Ananda K. Kanduluru	Aug. 9, 2014	United States (Provisional)	Converted
66862-02	Design and Development of Neurokinin-1 Receptor-Binding Agent Delivery Conjugates	62/035,427	Philip Low Ananda K. Kanduluru	Aug. 9, 2014	United States (Provisional)	Converted
66862-03	Design and Development of Neurokinin-1 Receptor-Binding Agent Delivery Conjugates	PCT/US2015/44229	Philip Low Ananda K. Kanduluru	Aug. 7, 2015	PCT	Published

All other terms and conditions of the original agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte, Inc.

By: ___ /s/ Brooke Beier_____ By: __ /s/ Mike Sherman_____
Mike Sherman
President & CEO

Date: ____ 3-2-2017_____ Date: _____ 2-23-17____

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

AMENDMENT #8

TO LICENSE AGREEMENT ID 2014-0052

Between Purdue Research Foundation and Endocyte, Inc.

THIS AMENDMENT, made and entered into this 22nd day of February 2017 ("Amendment Effective Date") amends the Master License Agreement entered into and effective as of July 1, 2013 and all subsequent Amendments (hereinafter "Agreement") between Purdue Research Foundation (hereinafter known as "PRF") and Endocyte, Inc. (hereinafter known as "Endocyte") with respect to the matters addressed in this Agreement.

WHEREAS, Purdue University continues to develop technologies and scientific advances in the laboratory of Professor Philip Low funded by Endocyte, Inc.; and

WHEREAS, Endocyte wishes to continue licensing such technologies and scientific advances under the Agreement,

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. The following Elected Eligible Disclosure is added to Schedule A of the Agreement for a Target under Section 1.20(ii).

Title of Elected Eligible Disclosure	Targeting the Cholecystokinin-B/Gastrin Receptor for Imaging and Therapy of Receptor Expressing Cells
PRF Reference Number of Elected Eligible Disclosure	66125
Contributors of the Elected Eligible Disclosure	P. Low and C. Wayua

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

2. The following Licensed Patents are added to Schedule A of the Agreement for a Target under Section 1.20(ii).

PRF Ref #	Title	App #	Inventors	Filing Date	Country	Status
66125.P1.US	Development of Targeted Agents for Cholecystokinin 2 Receptor Expressing Cancers	61/602,831	Philip S. Low Charity Wayua	Feb. 24, 2012	United States (Provisional)	Converted
66125-02	Cholecystokinin B Receptor Targeting for Imaging and Therapy	PCT/US2013/027463	Philip S. Low Charity Wayua	Feb. 22, 2013	PCT	Nationalized
66125-03	Cholecystokinin B Receptor Targeting for Imaging and Therapy	14/380,273	Philip S. Low Charity Wayua	Aug. 21, 2014	United States (Non-provisional)	Pending

All other terms and conditions of the original agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Purdue Research Foundation Endocyte, Inc.

By: ___ /s/ Brooke Beier_ By: _____ /s/ Mike Sherman ___
Mike Sherman
President & CEO

Date: ___ 3-2-2017_____ Date: __ 2-23-17___

[*] = Indicates confidential information omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael A. Sherman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Endocyte, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael A. Sherman
Michael A. Sherman
President and Chief Executive Officer

Date: May 10, 2017

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael T. Andriole, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Endocyte, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael T. Andriole
Michael T. Andriole
Chief Financial Officer

Date: May 10, 2017

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael A. Sherman, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Endocyte, Inc. on Form 10-Q for the quarter ended March 31, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Endocyte, Inc. for the periods covered by such Quarterly Report on Form 10-Q.

May 10, 2017

/s/ Michael A. Sherman
Name: Michael A. Sherman
Title: *President and Chief Executive Officer*

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael T. Andriole, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Endocyte, Inc. on Form 10-Q for the quarter ended March 31, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Endocyte, Inc. for the periods covered by such Quarterly Report on Form 10-Q.

May 10, 2017

/s/ Michael T. Andriole
Name: Michael T. Andriole
Title: *Chief Financial Officer*