

Endocyte Inc. secures \$7.6 million in equity investments

WEST LAFAYETTE, Ind. — July 10, 2001, Endocyte Inc., a biotechnology company developing a diagnostic and vitamin-based drug-targeting and delivery system, has secured \$7.6 million in equity investments.

The investors are Sanderling Venture Partners of Menlo Park, Calif.; Cincinnati Financial Corp. of Cincinnati; and American Bailey Ventures of Stamford, Conn.

Endocyte is combining the initial \$7.6 million in investment capital with \$2 million from Indiana's 21st Century Research and Technology Fund to continue clinical development of its oncology diagnostic and therapeutic products, purchase additional research equipment, and increase its research and development staff.

"We are pleased to garner the support of these three prestigious firms," said Ron Ellis, Endocyte's president and chief executive officer. "They bring more than just financial resources to our company. These three investors bring a diversity of relevant start-up experience for an early-stage biotechnology company, such as Endocyte. Besides their proven track record of success, these firms are staffed by first-class individuals who share our commitment and vision."

Sanderling Venture Partners, founded in 1979, is one of the highest ranked and oldest investment firms dedicated to building new biomedical companies.

"We are excited about this new investment and look forward to Endocyte developing its novel technology in the areas of targeted immunotherapy, small molecule therapeutics and gene therapy," said Fred Middleton, a general partner at Sanderling.

Endocyte's work focuses on the use of the vitamin folate in both the early diagnosis and therapeutic treatment of cancer. Endocyte already has started human clinical testing of a vitamin-targeted diagnostic agent for detection of ovarian cancer, and the company plans to begin human clinical testing of a folate-targeted therapeutic cancer drug next year.

Doug Bailey, managing director of American Bailey Ventures, said he has followed the company's progress for more than three years. His firm focuses on university-linked start-ups, which is Endocyte's origin.

"We selected Endocyte for investment because the company has a highly talented team of people who have developed a sound technology grounded in solid science," Bailey said. "We think their platform for drug delivery holds great promise for the creation of products that will provide significant value and benefit."

Researchers at Purdue created a new drug delivery system — a "Trojan Horse" method — that attaches diagnostic and therapeutic drugs to the vitamin in order to deliver anti-cancer agents directly to cancer cells, thereby avoiding normal, healthy cells.

"This allows for more efficient and effective treatment, and our research indicates that it also will be effective in late-stage metastatic disease, which rarely sees positive results with current treatments," Ellis said.

Philip Low, a Purdue chemistry professor and Endocyte's chief science officer, founded the company in 1996. Its first offices were located in the Purdue Research Park high-tech business incubation complex. In 1998, Endocyte moved its corporate headquarters to its present site in the park, a 10,000-square-foot facility.

Endocyte currently employs 17 and works with some 20 other contract employees and companies. Those companies and employees include researchers at Purdue funded by Endocyte; regulatory and manufacturing consultants; and companies which perform drug stability testing, manufacturing and clinical trial services. The company plans to hire additional scientists with chemistry and biology backgrounds, regulatory and clinical affairs professionals, and manufacturing experts.

[Back to Top](#)