ENDOCYTE INC

FORM 10-Q
(Quarterly Report)

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Address	3000 KENT AVE STE A1-100
	WEST LAFAYETTE, IN 47906
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Industry	Biotechnology & Medical Research
Sector	Healthcare
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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 June 30, 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 July 31, 2017: 42,575,444

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

ENDOCYTE, INC.

CONDENSED BALANCE SHEETS

	December 31, 2016	June 30, 2017
Assets		(unaudited)
Current assets:		
Cash and cash equivalents	$ 31,228,192	$ 64,928,530
Short-term investments	106,979,224	53,466,599
Receivables	55,074	8,076
Prepaid expenses	1,737,308	784,971
Other assets	255,912	129,535
Total current assets	140,255,710	119,317,711
Property and equipment, net	3,205,077	2,615,392
Other noncurrent assets	33,567	7,067
Total assets	$ 143,494,354	$ 121,940,170
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,381,545	$ 1,235,016
Accrued wages and benefits	2,705,475	1,521,264
Accrued clinical trial expenses	861,293	1,792,635
Accrued expenses and other liabilities	613,861	690,234
Total current liabilities	5,562,174	5,239,149
Other liabilities, net of current portion	2,873	—
Deferred revenue, net of current portion	781,944	756,944
Total liabilities	6,346,991	5,996,093
Stockholders' equity:		
Common stock: $0.001 par value, 100,000,000 shares authorized; 42,377,522 and 42,575,444 shares issued and outstanding at December 31, 2016 and June 30, 2017	42,378	42,575
Additional paid-in capital	390,768,742	393,060,063
Accumulated other comprehensive loss	(41,196)	(34,863)
Retained deficit	(253,622,561)	(277,123,698)
Total stockholders' equity	137,147,363	115,944,077
Total liabilities and stockholders' equity	$ 143,494,354	$ 121,940,170

See accompanying notes.

ENDOCYTE, INC.

CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2017	2016	2017
	(unaudited)		(unaudited)	
Revenue:				
Collaboration revenue	$ 12,500	$ 12,500	$ 25,000	$ 25,000
Total revenue	12,500	12,500	25,000	25,000
Operating expenses:				
Research and development	6,787,341	8,655,021	13,318,894	16,649,493
General and administrative	7,394,473	3,305,284	11,214,231	7,050,546
Total operating expenses	14,181,814	11,960,305	24,533,125	23,700,039
Loss from operations	(14,169,314)	(11,947,805)	(24,508,125)	(23,675,039)
Other income (expense), net:				
Interest income, net	207,514	233,682	397,049	469,133
Other expense, net	(860)	(30,605)	(4,324)	(27,407)
Net loss	(13,962,660)	(11,744,728)	(24,115,400)	(23,233,313)
Net loss per share – basic and diluted	$ (0.33)	$ (0.28)	$ (0.57)	$ (0.55)
Items included in other comprehensive income:				
Unrealized gain on available-for-sale securities	65,509	19,014	175,645	6,333
Other comprehensive income	65,509	19,014	175,645	6,333
Comprehensive loss	$ (13,897,151)	$ (11,725,714)	$ (23,939,755)	$ (23,226,980)
Weighted-average number of common shares used in net loss per share calculation – basic and diluted	42,178,537	42,503,584	42,144,182	42,469,337

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	52,258	52	109,690	—	—	109,742
Stock-based compensation	108,428	108	1,865,437	—	—	1,865,545
Employee stock purchase plan	37,236	37	48,370	—	—	48,407
Net loss	—	—	—	—	(23,233,313)	(23,233,313)
Unrealized gain on securities	—	—	—	6,333	—	6,333
Balances June 30, 2017	42,575,444	$ 42,575	$ 393,060,063	$ (34,863)	$ (277,123,698)	$ 115,944,077

See accompanying notes.

ENDOCYTE, INC.

CONDENSED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2016	**2017**
	(unaudited)	
Operating activities		
Net loss	$ (24,115,400)	$ (23,233,313)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	444,396	468,994
Stock-based compensation	6,549,276	1,960,172
Loss on disposal of property and equipment	—	144,578
Accretion of bond premium	268,695	46,770
Change in operating assets and liabilities:		
Receivables	240,285	173,375
Prepaid expenses and other assets	85,334	1,034,660
Accounts payable	(219,119)	(182,338)
Accrued wages, benefits and other liabilities	(1,749,432)	(179,369)
Deferred revenue	(25,000)	(25,000)
Net cash used in operating activities	(18,520,965)	(19,791,471)
Investing activities		
Purchases of property and equipment	(466,388)	(43,838)
Purchases of investments	(88,909,817)	(20,457,875)
Proceeds from sale and maturities of investments	118,965,000	73,930,000
Net cash provided by investing activities	29,588,795	53,428,287
Financing activities		
Stock repurchase	(158,284)	(94,627)
Proceeds from the exercise of stock options	109,307	109,742
Proceeds from stock purchases under employee stock purchase plan	137,925	48,407
Net cash provided by financing activities	88,948	63,522
Net increase in cash and cash equivalents	11,156,778	33,700,338
Cash and cash equivalents at beginning of period	15,431,622	31,228,192
Cash and cash equivalents at end of period	$ 26,588,400	$ 64,928,530

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 other serious 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. In addition, the Company continues to pursue applications of the SMDC platform and is working to bring assets toward clinical development in several areas, including EC2629, its dual-targeted DNA crosslinker drug that can attack both tumor associated macrophages ("TAMs") and cancer cells, and its chimeric antigen receptor T-cell ("CAR T-Cell") SMDC adaptor platform.

In June 2017, the Company ended clinical development of EC1456 and stopped enrollment in its EC1456 phase 1b trial as the assessment of trial data did not yield the level of clinical activity necessary to support continued advancement of EC1456. The Company is, however, continuing enrollment of a small number of patients in its EC1456 ovarian cancer surgical study to inform other SMDC programs in development. In addition, in June 2017, the Company narrowed the focus of its EC1169 development program, refocused its efforts on pre-clinical programs, and reduced its workforce by approximately 40% to align resources to focus on the Company's highest value opportunities while maintaining key capabilities.

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 and six months ended June 30, 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, money market instruments, U.S. government treasury obligations, U.S. government agency obligations, and corporate debt securities 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 expensed 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 and royalties, 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 and close out the trial pursuant to ASC Topic 420, *Exit or Disposal Cost Obligations* , as a terminated trial does not provide any future economic benefit to the Company. See Note 9 – Restructuring Costs of the Notes to Condensed Financial Statements contained herein for costs incurred during the three and six months ended June 30, 2017 related to the Company's restructuring activities in June 2017.

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 June 30, 2017, the Company had approximately $0.2 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 June 30, 2016 and 2017, the following number of potential common stock equivalents were outstanding:

	As of June 30,	
	2016	**2017**
Outstanding common stock options	6,555,769	6,665,541
Outstanding warrants	34,647	34,647
Outstanding RSUs	416,244	524,793
Shares to be purchased under the ESPP	3,965	2,467
Total	7,010,625	7,227,448

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 six months ended June 30, 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 currently has a limited number of contracts with customers and only one revenue stream, which relates to collaboration and licensing arrangements, and which represents all of the revenue earned in the three and six months ended June 30, 2017. While the Company has begun the review of its collaboration and licensing arrangements, it is not yet able to estimate the anticipated impact of the adoption of the new standard to its financial statements. The Company will continue to evaluate the impact, if any, the adoption of this guidance will have on its financial statements.

4. Other Comprehensive Income

The following tables summarize the accumulated balances related to each component of other comprehensive income for the three months ended June 30, 2016 and 2017:

	Unrealized Net Gains on Securities	Accumulated Other Comprehensive Gains
Balance at March 31, 2016	$ 30,737	$ 30,737
Unrealized gain	65,509	65,509
Net amount reclassified to net loss	—	—
Other comprehensive income	65,509	65,509
Balance at June 30, 2016	$ 96,246	$ 96,246

	Unrealized Net Gains (Losses) on Securities	Accumulated Other Comprehensive Gains (Losses)
Balance at March 31, 2017	$ (53,877)	$ (53,877)
Unrealized gain	19,014	19,014
Net amount reclassified to net loss	—	—
Other comprehensive income	19,014	19,014
Balance at June 30, 2017	$ (34,863)	$ (34,863)

The following tables summarize the accumulated balances related to each component of other comprehensive income for the six months ended June 30, 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	175,645	175,645
Net amount reclassified to net loss	—	—
Other comprehensive income	175,645	175,645
Balance at June 30, 2016	$ 96,246	$ 96,246

	Unrealized Net Gains (Losses) on Securities	Accumulated Other Comprehensive Gains (Losses)
Balance at December 31, 2016	$ (41,196)	$ (41,196)
Unrealized gain	6,333	6,333
Net amount reclassified to net loss	—	—
Other comprehensive income	6,333	6,333
Balance at June 30, 2017	$ (34,863)	$ (34,863)

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 (original maturity of 3 months or less)				
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 June 30, 2017:

Description	Cost	Level 1	Level 2	Fair Value (Carrying Value)
Cash				
Cash	$ 7,400,420	$ 7,400,420	$ —	$ 7,400,420
Cash equivalents (original maturity of 3 months or less)				
FDIC insured deposits and money market funds	24,559,785	24,559,785	—	24,559,785
U.S. government treasury obligations	8,996,970	8,997,300	—	8,997,300
U.S. government agency obligations	21,474,948	21,474,680	—	21,474,680
Corporate obligations	2,496,345	—	2,496,345	2,496,345
Cash and cash equivalents	$ 64,928,468	$ 62,432,185	$ 2,496,345	$ 64,928,530
Short-term investments (due within 1 year)				
U.S. government treasury obligations	$ 41,019,170	$ 40,985,750	$ —	$ 40,985,750
Corporate obligations	12,482,354	—	12,480,849	12,480,849
Total short-term investments	$ 53,501,524	$ 40,985,750	$ 12,480,849	$ 53,466,599

All securities held at December 31, 2016 and June 30, 2017, were classified as available-for-sale as defined by ASC 320.

Total unrealized gross gains were $8,257 and $626 as of December 31, 2016 and June 30, 2017, respectively. Total unrealized gross losses were $49,453 and $35,489 as of December 31, 2016 and June 30, 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 or six months ended June 30, 2016 or 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 any folate receptor-targeted SMDC 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 any folate receptor-targeted SMDC, 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 folate receptor-targeted SMDC therapeutic drug. 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 June 30, 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 any folate receptor-targeted SMDC 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 any folate receptor-targeted SMDC therapeutic drug 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 June 30, 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 are 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 and six months ended June 30, 2016 and 2017 were determined using the following assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2017	2016	2017
Expected volatility	97.8 %	91.8 %	99.1 %	92.7 %
Risk-free interest rate	1.55 %	2.27 %	1.48 %	2.15 %
Weighted-average expected life (in years)	8.4	9.2	6.6	6.9
Dividend yield	0.00 %	0.00 %	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 [1]
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
Outstanding at April 1, 2017	6,860,968	5.96		
Granted during period	198,350	2.27		
Exercised during period	(44,501)	2.10		
Expired during period	(123,874)	8.41		
Forfeited during period	(225,402)	4.15		
Outstanding at June 30, 2017	6,665,541	$ 5.89	6.09	$ —
Exercisable at June 30, 2017	5,083,084	$ 6.63	5.22	$ —

(1) The aggregate intrinsic value of the stock options was calculated by identifying those stock options that had a lower exercise price than the closing market price of our common stock on the applicable date and multiplying the difference between the closing market price of our common stock and the exercise price of each of those stock options by the number of shares subject to those stock options that were outstanding or exercisable, as applicable. Since the closing market price of our common stock on June 30, 2017 was lower than the exercise price of all outstanding stock options and exercisable stock options as of that date, the aggregate intrinsic value of those stock options was zero.

As of June 30, 2017, the total remaining unrecognized compensation cost related to stock options granted was $3.4 million, which is expected to be recognized over a weighted average period of approximately 1.5 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 June 30, 2017, the Company had 524,793 RSU awards outstanding. As of June 30, 2017, the total remaining unrecognized compensation cost related to RSUs was $1.3 million, which is expected to be recognized over a weighted average period of approximately 1.7 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
Outstanding at April 1, 2017	616,912	$ 3.17
Granted during period	26,400	2.27
Vested during period	(23,950)	3.25
Forfeited during period	(94,569)	3.06
Outstanding at June 30, 2017	524,793	$ 3.14

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. In the three and six months ended June 30, 2017, plan participants purchased 37,236 shares of common stock under the ESPP at an average purchase price of $1.30 per share. At June 30, 2017, there were 787,918 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 successive years, only if the Company generates future taxable income prior to their expiration, which will begin in 2021. 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.

9. Restructuring Costs

In June 2017, the Company refocused its clinical development efforts and aligned its resources to focus on the Company's highest value opportunities while maintaining key capabilities. The Company's restructuring activities included a reduction of its workforce by approximately 40%, as well stopping enrollment in its EC1456 phase 1b trial as the assessment of trial data did not yield the level of clinical activity necessary to support continued advancement of EC1456. Pursuant to ASC Topic 420, *Exit or Disposal Cost Obligations* , the Company recorded $2.3 million of restructuring expenses for the three and six months ended June 30, 2017 as follows:

- included in research and development expenses were expenses for employee termination benefits of $0.9 million, $0.9 million for the remaining EC1456 phase 1b trial expenses, including site close-out expenses, $0.3 million related to other restructuring expenses, and $0.1 million related to fixed asset impairment charges; and
- included in general and administrative expenses were expenses for employee termination benefits of $0.1 million.

As of June 30, 2017, the Company had a clinical trial accrual balance related to the EC1456 phase 1b trial termination of $0.8 million, a severance accrual balance of $0.2 million and an accrual balance related to other restructuring expenses of $45,100, which are expected to be fully paid by the end of the first quarter of 2018.

The following table summarizes the restructuring accruals for the three months ended June 30, 2017.

	Employee Termination Accrual	EC1456 Phase 1b Trial Termination Accrual	Other Restructuring Costs Accrual	Total
Balance, April 1, 2017	$ —	$ —	$ —	$ —
Charges for the three months ended June 30, 2017	1,029,400	947,100	126,500	2,103,000
Amounts paid in the three months ended June 30, 2017	(847,900)	(169,000)	(81,400)	(1,098,300)
Balance, June 30, 2017	$ 181,500	$ 778,100	$ 45,100	$ 1,004,700

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," "working to" 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, in this Quarterly Report on Form 10-Q and in 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 other serious 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.

In June 2017, we ended clinical development of EC1456 and stopped enrollment in our EC1456 phase 1b trial as the assessment of trial data did not yield the level of clinical activity necessary to support continued advancement of EC1456. We are, however, continuing enrollment of a small number of patients in our EC1456 ovarian cancer surgical study to inform other SMDC programs in development. In addition, in June 2017, we narrowed the focus of our EC1169 development program, refocused our efforts on pre-clinical programs, and reduced our workforce by approximately 40% to align resources to focus on our highest value opportunities while maintaining key capabilities. We recorded $2.3 million of restructuring expenses for the three months ended June 30, 2017 as follows:

- included in research and development expenses were expenses for employee termination benefits of $0.9 million, $0.9 million for the remaining EC1456 phase 1b trial expenses, including site close-out expenses, $0.3 million related to other restructuring expenses, and $0.1 million related to fixed asset impairment charges; and

- included in general and administrative expenses were expenses for employee termination benefits of $0.1 million.

For the six months ended June 30, 2017, we had a net loss of $23.2 million compared to a net loss of $24.1 million for the six months ended June 30, 2016. We had a retained deficit of $277.1 million at June 30, 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, potentially, the commercialization processes. Our operating costs were lower for the six months ended June 30, 2017 compared to the six months ended June 30, 2016, primarily as a result of a decrease in compensation expense due to the resignation of our former Chief Executive Officer, P. Ron Ellis, in June 2016, and lower stock compensation expense in the six months ended June 30, 2017 due to employee terminations, including terminations as a result of the workforce reduction, which was partially offset by an increase in employee termination benefit expenses in June 2017. The decrease in compensation expense was partially offset by an increase in trial and manufacturing expense for EC1169, an increase in expenses related to the

EC1465 phase 1b trial, including remaining trial and site close-out expenses, an increase in pre-clinical work and general research, and increases in research and development expenses related to the development of EC2629, our folate-pro pyrrolobenzodiazepine, or pro-PBD, DNA crosslinker drug.

Research and development expenses relating to EC1169, our first non-folate SMDC, increased in the six months ended June 30, 2017 compared to the six months ended June 30, 2016, as we continued to enroll patients in a phase 1b trial to evaluate EC1169 in 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 the majority of 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 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. In June 2017, we narrowed the EC1169 development program to focus only on the cohort of taxane-exposed mCRPC patients, for which a top-line efficacy assessment of the expansion phase of this phase 1 trial is expected before the end of 2017. An interim assessment confirmed clinical activity of the drug in the taxane-exposed cohort with a partial response in one patient, stable disease in other patients, and other markers of activity. We ceased enrollment of taxane-naïve mCRPC patients in June 2017.

Research and development expenses relating to EC1456, our second generation SMDC, were higher for the six months ended June 30, 2017 compared to the six months ended June 30, 2016, as we announced the termination of the EC1456 phase 1b trial in June 2017 and recorded a charge of $0.9 million for the remaining expenses of the EC1456 phase 1b trial including site close-out expenses, which was partially offset by a decrease in manufacturing expenses for EC1456.

As of June 30, 2017, our cash, cash equivalents and investments were $118.4 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 and six months ended June 30, 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 June 30, 2016 to Three Months Ended June 30, 2017

	Three Months Ended June 30,		$ Increase/ (Decrease)	% Increase/ (Decrease)
	2016	2017		
	(In thousands)			
Statement of operations data:				
Collaboration revenue	$ 13	$ 13	$ —	—
Operating expenses:				
Research and development	6,788	8,655	1,867	28 %
General and administrative	7,394	3,306	(4,088)	(55)%
Total operating expenses	14,182	11,961	(2,221)	(16)%
Loss from operations	(14,169)	(11,948)	2,221	16 %
Interest income, net	208	234	26	13 %
Other expense, net	(1)	(30)	(29)	(2,900)%
Net loss	$ (13,962)	$ (11,744)	$ 2,218	16 %

Revenue

Our revenue of $12,500 in the three months ended June 30, 2017 and the three months ended June 30, 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 June 30, 2017 compared to the three months ended June 30, 2016 was primarily attributable to: an increase of $0.9 million related to the EC1456 phase 1b trial termination; an increase of $0.9 million in compensation expense due to severance as a result of the workforce reduction in June 2017; an increase of $0.5 million related to other pre-clinical work and general research; an increase of $0.4 million related to the phase 1b trial and manufacturing expense for EC1169; an increase of $0.3 million related to the development of EC2629; and an increase of $0.1 million related to a fixed asset impairment charge as a result of the June 2017 restructuring activities. The increases were partially offset by a $0.8 million decrease in compensation expense as a result of employee terminations since June 30, 2016, including employee terminations in June 2017 as a result of the workforce reduction, and a $0.5 million decrease in manufacturing expenses for EC1456.

Included in research and development expenses were stock-based compensation charges of $0.9 million and $0.4 million for the three months ended June 30, 2016 and 2017, respectively.

Research and development expenses included expenses of $0.2 million and $0.1 million for three months ended June 30, 2016 and 2017, respectively, for company-funded research at Purdue University, the primary employer of our Chief Science Officer.

General and Administrative

The decrease in general and administrative expenses in the three months ended June 30, 2017 compared to the three months ended June 30, 2016 was primarily due to a $4.0 million decrease in compensation expense, of which $3.6 million related to the resignation of our former Chief Executive Officer, P. Ron Ellis, in June of 2016, which included $2.8 million of stock compensation expense and $0.8 million of severance expense. The remaining $0.4 million decrease in compensation expense in the three months ended June 30, 2017 compared to the three months ended June 30, 2016 related primarily to a decrease in stock compensation expense.

Included in general and administrative expenses were stock-based compensation charges of $3.5 million and $0.4 million for the three months ended June 30, 2016 and 2017, respectively.

Interest Income, Net

The increase in interest income, net in the three months ended June 30, 2017 compared to the three months ended June 30, 2016 resulted from an increase of $108,000 in the interest rate yield during the three months ended June 30, 2017 as compared to the three months ended June 30, 2016, partially offset by a decrease of $82,000 due to the lower average short-term investment balances. There were no long-term investment balances at June 30, 2016 or 2017.

Comparison of Six Months Ended June 30, 2016 to Six Months Ended June 30, 2017

	Six Months Ended June 30,		$ Increase/ (Decrease)	% Increase/ (Decrease)
	2016	2017		
	(In thousands)			
Statement of operations data:				
Collaboration revenue	$ 25	$ 25	$ —	—
Operating expenses:				
Research and development	13,319	16,649	3,330	25 %
General and administrative	11,214	7,051	(4,163)	(37)%
Total operating expenses	24,533	23,700	(833)	(3)%
Loss from operations	(24,508)	(23,675)	833	3 %
Interest income, net	397	469	72	18 %
Other expense, net	(4)	(27)	(23)	(575)%
Net loss	$ (24,115)	$ (23,233)	$ 882	4 %

Revenue

Our revenue of $25,000 in the six months ended June 30, 2017 and the six months ended June 30, 2016 related to the amortization of the $1.0 million non-refundable upfront payment from NMP.

Research and Development

The increase in research and development expenses for the six months ended June 30, 2017 compared to the six months ended June 30, 2016 was primarily attributable to an increase of $1.4 million related to the phase 1b trial and manufacturing expense for EC1169; an increase of $1.2 million related to the EC1456 phase 1b trial, including remaining trial and site close-out expenses; an increase of $1.1 million in pre-clinical work and general research; an increase of $0.8 million related to the development of EC2629; an increase of $0.5 million in compensation expense primarily related to severance as a result of the workforce reduction in June 2017; and an increase of $0.1 million related to a fixed asset impairment charge related to the June 2017 restructuring activities. The increases were partially offset by a decrease of $1.2 million related to stock compensation expense due to employee terminations since June 30, 2016, including employee terminations as a result of the workforce reduction in June 2017, and a decrease of $0.6 million in manufacturing expenses related to EC1456.

Included in research and development expenses were stock-based compensation charges of $2.3 million and $1.1 million for the six months ended June 30, 2016 and 2017, respectively.

Research and development expenses included expenses of $0.5 million and $0.4 million for the six months ended June 30, 2016 and 2017, for company-funded research at Purdue University, the primary employer of our Chief Science Officer.

General and Administrative

The decrease in general and administrative expenses in the six months ended June 30, 2017 compared to the six months ended June 30, 2016 was primarily due to a $4.1 million decrease in compensation expense, of which $3.6 million related to the resignation of our former Chief Executive Officer, P. Ron Ellis, in June of 2016, which included

$2.8 million of stock compensation expense and $0.8 million of severance expense. The remaining $0.5 million decrease in general and administrative expenses was due to a decrease in stock compensation expense, which was partially offset by an increase in expenses related to professional fees and other administrative fees.

Included in general and administrative expenses were stock-based compensation charges of $4.2 million and $0.8 million for the six months ended June 30, 2016 and 2017, respectively.

Interest Income, Net

The increase in interest income, net in the six months ended June 30, 2017 compared to the six months ended June 30, 2016 resulted from an increase of $213,000 in the interest rate yield during the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, partially offset by a decrease of $141,000 due to the lower average short-term investment balances. There were no long-term investment balances at June 30, 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 June 30, 2017, we had cash, cash equivalents and investments of $118.4 million. The following table sets forth the primary sources and uses of cash for each of the periods set forth below:

	Six Months Ended June 30,	
	2016	2017
	(in thousands)	
Net cash used in operating activities	$ (18,521)	$ (19,792)
Net cash provided by investing activities	29,589	53,428
Net cash provided by financing activities	89	64
Net increase in cash and cash equivalents	$ 11,157	$ 33,700

Operating Activities

The cash used in operating activities for the six months ended June 30, 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 six months ended June 30, 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 $466,000 and $44,000, respectively.

Financing Activities

The cash provided by financing activities during the six months ended June 30, 2016 and 2017 consisted of proceeds from the exercise of stock options and from stock purchases under our employee stock purchase plan, which were partially offset by stock repurchases for RSUs that vested during the period.

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 June 30, 2017, our cash, cash equivalents and investments were $118.4 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;
- the timing, receipt and amount of sales of, or royalties on, our SMDCs and companion imaging diagnostics, if any; and
- the scope, the timing of, and the costs involved in, potential investments relative to opportunities to out-license internal assets or access external opportunities.

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 six months ended June 30, 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 June 30, 2017, we had cash, cash equivalents and investments of $118.4 million. The investments consisted of U.S. government treasury obligations, 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 June 30, 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. Except as set forth below, 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.

Our restructuring activities and refocused development program efforts may not be successful, and our restructuring activities and changes in our development program efforts may cause uncertainty regarding the future of our business and may adversely impact employee hiring and retention, our stock price and our results of operations and financial condition.

In June 2017, we ended clinical development of EC1456 and stopped enrollment in our EC1456 phase 1b trial as the assessment of trial data did not yield the level of clinical activity necessary to support continued advancement of EC1456. In addition, we narrowed our focus of our EC1169 development program, refocused our efforts on pre-clinical programs, and reduced our workforce by approximately 40% to align resources to focus on our highest value opportunities while maintaining key capabilities. We recorded $2.3 million of restructuring expenses for the three and six months ended June 30, 2017.

Our ability to achieve the anticipated benefits, including the anticipated levels of cost savings and efficiency, of our restructuring activities within expected timeframes is subject to many estimates, assumptions and uncertainties. Further restructuring or reorganization activities may also be required in the future beyond what is currently planned, which could further enhance the risks associated with these activities. There is no assurance that we will successfully implement, or fully realize the anticipated impact of, our restructuring or execute successfully on our refocused development program, in the timeframes we desire or at all. If we fail to realize the anticipated benefits from these measures, or if we incur charges or costs in amounts that are greater than anticipated, our financial condition and operating results may be adversely affected.

In addition, the changes in focus of our development program may not be successful and we may have to terminate other clinical and pre-clinical efforts. Further, although the workforce reduction is intended to align resources to focus on highest value opportunities while maintaining key capabilities, those opportunities may not prove to be of high value and those capabilities may not be sufficient.

The changes to our development program and the workforce reduction measures, as well as the potential for additional changes or activities in the future, may introduce uncertainty regarding our prospects and may result in disruption of our business. As a result of these actions, we incurred significant expenses and charges, including site close-out expenses, employee termination benefits and fixed asset impairment charges, and we may incur additional expenses and charges related to these actions. In addition, these changes and measures could distract our employees, decrease employee morale and make it more difficult to retain and hire new talent, and harm our reputation. These changes and activities caused our stock price to decline, and may cause it to further decline in the future. As a result of these or other similar risks, our business, results of operations and financial condition may be adversely affected.

The results of clinical trials may not be predictive of future results, and those trials may not satisfy the requirements of the FDA or other regulatory authorities.

The clinical trials of our product candidates are, and the manufacturing and marketing of any approved products will be, subject to extensive and rigorous review and regulation by numerous government authorities in the United States, Europe and in other countries where we intend to test and market our product candidates. Before obtaining regulatory

approvals for the commercial sale of any product candidate, we must demonstrate through pre-clinical testing and clinical trials that the product candidate is safe and effective for use in each indication for which we intend to market such product candidate. This process takes many years and requires the expenditure of substantial financial and human resources and may include post-marketing trials and surveillance. To date, we have not completed any randomized phase 3 clinical trials. In June 2017, we ended clinical development of EC1456 and stopped enrollment in our EC1456 phase 1b trial, as the assessment of trial data did not yield the level of clinical activity necessary to support continued advancement of EC1456. In addition, we narrowed our EC1169 development program to focus only on the cohort of taxane-exposed mCRPC patients, and we ceased enrollment of taxane-naïve mCRPC patients in the phase 1b trial of EC1169. However, we cannot assure you that we will not also terminate our EC1169 development program with respect to the cohort of taxane-exposed mCRPC patients in the future.

Positive results from pre-clinical studies and early clinical trials should not be relied upon as evidence that later-stage or large-scale clinical trials will succeed. Like us, a number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, even after promising results in earlier trials. We will be required to demonstrate with substantial evidence through adequate and well-controlled clinical trials that our product candidates are safe and effective for use in the target population before the regulatory authorities will approve our product candidates for commercial sale.

Further, our product candidates may not be approved even if they achieve the primary endpoints in phase 3 clinical trials or registration trials. The U.S. Food and Drug Administration, or the FDA, or other regulatory authorities may disagree with our trial design or our interpretation of data from pre-clinical studies and clinical trials. In addition, the FDA and other regulatory authorities may change requirements for the approval of our product candidates even after reviewing and providing non-binding comments on a protocol for a pivotal phase 3 clinical trial that has the potential to result in approval. Regulatory authorities may also approve any of our product candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

Our development activities could be delayed or stopped for a number of reasons, many of which are outside our control, which could materially harm our financial results and the commercial prospects for our product candidates.

Each of our clinical trials requires the investment of substantial expense and time, and the timing of the commencement, continuation and completion of these clinical trials may be subject to significant delays relating to various causes. We do not know whether our current clinical trials will be completed on schedule, or at all, and we cannot guarantee that our future planned clinical trials will begin on time, or at all. Clinical trials must be conducted in accordance with FDA or applicable foreign government guidelines and are subject to oversight by the FDA, foreign governmental agencies and independent institutional review boards, or IRBs, at the medical institutions where the clinical trials are conducted. In addition, clinical trials must be conducted with supplies of our product candidates produced under current Good Manufacturing Practice, or cGMP, and other requirements in foreign countries, and may require large numbers of test patients. Our current and planned clinical trials could be substantially delayed or prevented by several factors, including:

- limited number of, and competition for, suitable sites to conduct our clinical trials;
- government or regulatory delays and changes in regulatory requirements, policy and guidelines;
- delay or failure to obtain sufficient supplies of the product candidate for, or other drugs used in, our clinical trials as a result of our suppliers' non-compliance with cGMP, or for other reasons;
- delay or failure to reach agreement on acceptable clinical trial agreement terms with prospective sites or investigators; and
- delay or failure to obtain IRB approval to conduct a clinical trial at a prospective site.

The completion of our clinical trials could also be substantially delayed or prevented by several factors, including:

- slower than expected rates of patient recruitment and enrollment;
- unforeseen safety issues;
- lack of efficacy evidenced during clinical trials, which risk may be heightened given the advanced state of disease and lack of response to prior therapies of patients in certain clinical trials;
- termination of our clinical trials by an IRB at one or more clinical trial sites;
- inability or unwillingness of patients or medical investigators to follow our clinical trial protocols; and
- inability to monitor patients adequately during or after treatment or high patient dropout rates.

Our clinical trials may be suspended or terminated at any time by the FDA, other regulatory authorities or us. For example, in June 2017 we ended clinical development of EC1456 and stopped enrollment in our EC1456 phase 1b trial, as the assessment of trial data did not yield the level of clinical activity necessary to support continued advancement of EC1456. In addition, we narrowed our EC1169 development program to focus only on the cohort of taxane-exposed mCRPC patients, and we ceased enrollment of taxane-naïve mCRPC patients in the phase 1b trial of EC1169. However, we cannot assure you that we will not also terminate our EC1169 development program with respect to the cohort of taxane-exposed mCRPC patients in the future.

Failure or significant delay in completing clinical trials for our product candidates could materially harm our financial results and the commercial prospects for our product candidates.

We may require substantial additional funding which may not be available to us on acceptable terms, or at all.

As we advance multiple product candidates through pre-clinical and clinical development, our future funding requirements will depend on many factors, including but not limited to:

- our need to expand our research and development activities;
- the rate of progress and cost of our clinical trials and the need to conduct clinical trials beyond those planned;
- the costs associated with establishing a sales force and commercialization capabilities;
- the costs of acquiring, licensing or investing in businesses, product candidates and technologies;
- the costs and timing of seeking and obtaining approval from regulatory authorities;
- our ability to maintain, defend and expand the scope of our intellectual property portfolio;
- our need and ability to hire additional management and scientific and medical personnel;
- the effect of competing technological and market developments; and
- the economic and other terms and timing of collaboration, licensing or other arrangements into which we may enter.

Until we can generate a sufficient amount of revenue to finance our cash requirements, which we may never do, and if we would require additional funding, we expect to finance future cash needs primarily through public or private equity or debt financings or other sources. We do not know whether additional funding will be available on acceptable terms, or at all. If we are not able to secure additional funding when needed, we may have to delay, reduce the scope of or

eliminate one or more of our clinical trials or research and development programs, or enter into collaboration or other arrangements with other companies to provide such funding for one or more of such clinical trials or programs in exchange for our affording such partner commercialization or other rights to the product candidates that are the subject of such clinical trials or programs.

In addition, we may not be able to successfully implement the recent restructuring and we may not realize the planned or expected cost savings benefits, which could adversely affect our estimate of the period for which our current cash balance will be sufficient to fund our operating plan. Furthermore, our operating plan may change as a result of many factors currently unknown to us, and we may need additional funds sooner than planned. Also, we may seek additional capital due to favorable market conditions or other strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

If we fail to attract and retain key management and scientific personnel, we may be unable to successfully develop or commercialize our product candidates.

Our success as a specialized scientific business depends on our continued ability to attract, retain and motivate highly qualified management and scientific and clinical personnel. The loss of the services of any of our senior management could delay or prevent the commercialization of our product candidates.

We may not be able to attract or retain qualified management and scientific personnel in the future due to the intense competition for a limited number of qualified personnel among biopharmaceutical, biotechnology, pharmaceutical and other businesses. In addition, the impact on employee morale experienced in connection with our workforce reduction in June 2017, in which we reduced our workforce by approximately 40%, could make it more difficult for us to retain current employees or to attract new employees when needed. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience constraints that will impede the achievement of our research and development objectives, our ability to raise additional capital and our ability to implement our business strategy.

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: August 9, 2017

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

Date: August 9, 2017

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

Date: August 9, 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*	Amended and Restated Exclusive License Agreement dated October 21, 1998 between Endocyte, Inc. and Purdue Research Foundation, as amended through April 14, 2014.
10.2*	Exclusive License Agreement effective March 1, 2010 between Endocyte, Inc. and Purdue Research Foundation, as amended through April 14, 2014.
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 June 30, 2017, formatted in Extensible Business Reporting Language (XBRL) includes: (i) Condensed Balance Sheets at December 31, 2016 and June 30, 2017, (ii) Condensed Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2016 and 2017, (iii) Condensed Statement of Stockholders' Equity (Deficit) for the six months ended June 30, 2017, (iv) Condensed Statements of Cash Flows for the six months ended June 30, 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.

LICENSE AGREEMENT

BETWEEN

ENDOCYTE, INC

AND

PURDUE RESEARCH FOUNDATION

OCTOBER 21, 1998

[*] = 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.

AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

THIS AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT is entered on this 21st day of October, 1998 (the "Amended and Restated Effective Date") and it amends and restates the EXCLUSIVE LICENSE AGREEMENT entered into on the 17th day of July, 1998 and shall be effective as of the 21st day of December, 1995 ("Effective Date") by and between PURDUE RESEARCH FOUNDATION, a corporation of Indiana having an address at West Lafayette, Indiana 47907 (hereinafter "PRF"), and Endocyte Corporation, an Indiana corporation, having a place of business at Lafayette, Indiana (hereinafter "LICENSEE"), PRF and LICENSEE collectively referred to hereinafter as "the Parties."

WITNESSETH:

WHEREAS, PRF is the owner by assignment of those United States Patents and corresponding patents in other countries all as set forth in Appendix A attached hereto (hereinafter, together with all divisions, continuations, continuations-in-part, foreign counterparts, and reissues thereof, called the "Patents"); and

WHEREAS, PRF and LICENSEE have previously executed an amendment to the Exclusive License Agreement (Appendix B), on July 17, 1998 and December 2, 1996 effective as of December 21, 1995. LICENSEE and PRF agree that the terms and conditions of this Exclusive License Agreement shall supercede and take precedence over the previous Exclusive License Agreement (Appendix B) signed on July 17, 1998.

WHEREAS, LICENSEE desires license rights under such Patents and PRF is willing to grant such license rights under the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth, the Parties hereto agree as follows:

ARTICLE I — DEFINITIONS

As used herein, the following terms shall have the following meanings:

1.1 "Affiliate" shall mean a corporation, company, partnership, or other business entity which controls or is controlled by, or is under common control with, the designated party. In the case of a corporation or company, "control" means ownership either directly or indirectly of at least fifty percent (50%) of the shares of stock entitled to vote for the election of directors. The term "Affiliate" shall not include a third-party sublicensee of LICENSEE.

1.2 "FDA Approval" shall mean final approval from the United States Food and Drug Administration to distribute, market and sell any Licensed Product in the United States.

[*] = 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.

1.3 "Licensed Products" shall mean products falling within the scope of a Valid Claim or claims of the Patents or made by processes within the scope of a Valid Claim or claims of the Patents.

1.4 "Sales Value" shall mean (i) in the case of Licensed Products sold to third parties, the invoice price, F.O.B place of manufacture, exclusive of sales taxes, packing, shipping and insurance charges, and less returns, allowances, and discounts actually allowed; and (ii) in the case of any use of any Licensed Product by LICENSEE, any Affiliate or any third party for the purpose of any testing or studies necessary to obtain FDA Approval, Zero Dollars ($0.00).

1.5 "Valid Claim" shall mean any claim contained in any pending patent application or issued patent included within the Patents which has not been abandoned or declared invalid in a non-appealable order, as the case may be, and which would be infringed by the manufacture, use or sale of Licensed Products in the absence of the licenses granted hereunder.

1.6 "Territory" shall mean all countries, worldwide.

1.7 "Field of Use" shall mean:

(a) All Diagnostic and Imaging Applications; and

(b) All Therapeutic Applications.

1.8 "Therapeutic Applications" shall mean any use of a Licensed Product for the prevention or treatment of disease or injury.

1.9 "Diagnostic or Imaging Applications" shall mean any use of a Licensed Product for purposes of the investigation or determination of the nature or extent of any disease or injury.

1.10 "Know-How" shall mean any and all confidential unpatented and/or non-patentable data, materials, samples and other information owned and controlled by PRF which relate to the Patents or which is useful in the Manufacture, use or sale of Licensed Products.

ARTICLE II — GRANTS

2.1 PRF grants, subject to the terms of this Agreement, to LICENSEE a royalty-bearing, exclusive license under the Patents to make, to have made, use, sell and import and sell Licensed Products in the Field of Use in the Territory.

[*] = 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.

2.2 PRF grants, subject to the terms of this Agreement, to LICENSEE a non-exclusive license under the Know-How to make, to have made, use, sell and import and sell Licensed Products in the Field of Use in the Territory.

2.3 LICENSEE shall have the right to grant sublicenses under the license granted herein, and to extend the sublicenses to any third party or Affiliate of LICENSEE. LICENSEE shall notify PRF promptly of any grant of sublicense hereunder and the terms thereof.

2.4 PRF shall reserve, and the license granted shall be subject to the royalty-free right in PRF (or in Purdue University, if PRF's rights are assigned to the University) to make or have made for its use (but not to sell) the products or devices (or the rights to practice the process, if a process invention) under each patent, provided that such reserved rights shall be used by PRF (or the University as the case may be) solely for educational and research purposes and not for commercial purposes.

2.5 All rights reserved to the United States Government and others under Public Law 96-517 and 98-620 shall remain and shall in no way be affected by this Agreement. Portions of the Patents were developed under Grant 89-45-DC8-88-11465 awarded by the National Science Foundation.

2.6 PRF hereby warrants that it is the owner of the Patents and that such Patents are not subject to any lien, encumbrance, license or claim of ownership of any third party, except to the extent stated in Section 2.4, in derogation of the rights granted to LICENSEE in this Agreement.

ARTICLE III — DUE DILIGENCE

3.1 (a) LICENSEE shall use its commercially reasonable efforts to bring one or more Licensed Products in the Field of Use to market through program for exploitation of Patents. LICENSEE shall supply to PRF a business and project plan for the Licensed Products to PRF no later than twelve (12) months after the Effective Date.

(b) LICENSEE further agrees to secure $[*] to be expended for the testing and development of the Licensed Products. Once this initial funding of $[*] has been expended (the "Crossover Date"), LICENSEE shall provide evidence of obtaining Additional Support needed to develop the technology. Additional support shall be defined as:

(I) Having secured additional funding of at least $[*]; or

(II) Enter into a venture for the development and commercialization of the Diagnostic Imaging and Therapeutic applications of the Licensed Products.

[*] = 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.

(c) If after [*] after the Crossover Date the LICENSEE has not provided evidence of Additional Support, this Agreement may be terminated on written notice of PRF.

(d) LICENSEE further agrees to begin the development of Therapeutic Applications of the Licensed Products, other than those involving Gene Therapy, no later than [*] from the Effective Date.

(e) LICENSEE further agrees to provide evidence of being in bona fide negotiations or in-house development for Gene Therapy applications no later than [*] from the Effective Date.

(f) LICENSEE further agrees to provide $[*] over a three year period from Effective Date to fund research at Purdue University.

3.2 Commencing twenty-four (24) months following FDA Approval, if, at any time, PRF is of the reasonable opinion that LICENSEE is not meeting the public demand, as outlined below, for Licensed Products, PRF shall notify LICENSEE to that effect and LICENSEE shall have six (6) months after such notice within which to meet such demand or to make other arrangements satisfactory to PRF. If at the end of six (6) months' period PRF is not satisfied that the public demand is or will be reasonably met by LICENSEE, PRF may, at its option, terminate the license or convert the exclusive license to a non-exclusive license upon sixty (60) days' notice to LICENSEE. Net sales, based upon Sales Value, of [*] or more of the Licensed Products by LICENSEE and any sublicensees during the first twenty-four (24) following FDA Approval shall be regarded by PRF as meeting the public demand.

ARTICLE IV — PRF ROYALTY OBLIGATIONS

4.1 LICENSEE shall pay PRF licensing fees according to the following schedule:

(a) $[*] on the Effective Date;

(b) $[*] the Effective Date;

(c) $[*] the Effective Date;

(d) $[*] the Effective Date; and

(e) $[*] the Effective Date.

4.2 Subject to all the terms and conditions of this Agreement, for each calendar year this Agreement is in effect, LICENSEE shall pay to PRF an earned royalty, which shall be agreed to in writing by the parties and which shall not exceed the maximum percentages set forth below, calculated as a percentage of the Sales Value of Licensed Products made, used, sold or imported by LICENSEE, it sublicensees or its Affiliates in each country of the Territory in which there is (are) valid unexpired Patents. The royalties due hereunder shall be payable on a country-by-country basis in each country until the expiration of the last to expire of the Patents covering the Licensed Products or the manufacture use or sale of the Licensed Products in such country. The royalty percentage shall be [*] of the Sales Value of Licensed Products used or sold.

At any time during the term of this Agreement, the parties shall be free to renegotiate, in good faith, the earned royalty percentages previously agreed to; provided that, in no event shall the renegotiated royalty percentages exceed the royalty percentages set forth above.

4.3 LICENSEE shall pay to PRF an annual minimum royalty for each calendar year during the life of this Agreement beginning in calendar year 1998. The minimum royalty shall be payable on or before December 31 of each such calendar year. The minimum royalties shall be as follows:

2002	$	5,000
2003	$	7,500
2004	$	10,000
2005	$	12,500
Each year thereafter	$	12,500

If earned royalties for any calendar year do not equal or exceed the minimum royalty owed for that calendar year, LICENSEE shall pay PRF an amount equal to the difference between the calendar year earned royalty and the calendar year minimum royalty, said amount payable on or before January 31 of the next following calendar year.

ARTICLE V — RECORDS, REPORTS, PAYMENTS

5.1 LICENSEE shall keep accurate books and records showing all sales and use by LICENSEE and its sublicensee of Licensed Products, together with such other information as shall be necessary to enable earned royalties to be computed, and such books and records showing all sales and use by LICENSEE and its sublicensee of Licensed Products shall be kept for a period of three (3) years from the creation of such books and records. On or before the last day of March, June, September, and December of each year during the life of this Agreement, LICENSEE shall render to PRF a written report showing the calculation, in reasonable detail, of earned royalty for the preceding calendar quarter and shall accompany each such report with payment of any amount shown to be due. Such reports are to be made by LICENSEE whether or not royalties are owed. Such reports and any royalties due will be made to PRF within thirty (30) days of the end of each calendar quarter. Not more than once per calendar year during the term of this Agreement, LICENSEE's records and books shall be open during reasonable business hours for reasonable inspection by a certified public accountant appointed and paid for by PRF and reasonably acceptable to LICENSEE, to determine the accuracy of such royalty statements and payments but for not other purpose. PRF agrees that it and its designees shall keep confidential and shall not disclose or use for purposes other than those set forth in Section 5.1, any information, report or document provided to or made available to PRF or its designee.

[*] = 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.

ARTICLE VI — PATENT PROSECUTION

6.1 As between PRF and LICENSEE, PRF shall have responsibility for filing, prosecution and maintenance of all Patents in the Territory. LICENSEE shall have the right to review pending Patent applications and make recommendations to PRF concerning them. PRF will consider in good faith all reasonable suggestions of LICENSEE with respect thereto. PRF agrees to keep LICENSEE informed of the course of patent prosecution or other proceedings with respect to the Patents within the Territory. In the event PRF elects not to file, prosecute or maintain any or all of the Patents in the Territory, PRF shall assign this responsibility to LICENSEE and cooperate to assure the filing, prosecution and maintenance of all Patents. The parties shall hold all information disclosed to it under this Section as confidential.

6.2 LICENSEE shall have the right but not the obligation to seek extensions of the terms of PATENTS in the Territory. At LICENSEE'S request, PRF shall either diligently seek to obtain such extensions or authorize LICENSEE to act as PRF's agent for the purpose of making any application for any extensions of the term of Patents and provide reasonable assistance therefor to LICENSEE, in either event, at LICENSEE's expense.

6.3 PRF shall promptly provide LICENSEE copies of all notices and correspondence to or from the U.S .Patent and Trademark Office and any foreign patent offices.

6.4 Payment of all fees and costs relating to the filing, prosecution, and maintenance of the Patents shall be the responsibility of LICENSEE, whether or not such fees and costs were incurred before or after the date of this Agreement. PRF acknowledges receipt of patent expenses in the amount of $209,705.41 (see Appendix C) which covers all prior patent expenses through April 30, 1998.

6.5 PRF will provide all requested Know-How to LICENSEE at LICENSEE's expense.

[*] = 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.

ARTICLE VII— INFRINGEMENT/ENFORCEMENT

7.1 If during the term of this Agreement one ore more Patents licensed hereunder is or appears to be infringed by a third party within the Field of Use, then the party having knowledge thereof shall notify the other and the parties shall consult to consider what, if any, action should be taken. Under no circumstances shall PRF have the obligation to enforce Patents. LICENSEE shall have the first right (but not the obligation) to notify the infringer and/or initiate litigation or legal proceedings to abate the infringement. In the event LICENSEE commences litigation, LICENSEE shall notify PRF in writing that the litigation has been commenced. PRF may elect to join in any such legal proceedings against the alleged infringer. In the event LICENSEE has not initiated such legal proceedings within six (6) months after becoming aware of the infringement, then PRF may initiate such legal proceedings on its own behalf; and thereafter, LICENSEE may elect to join in those proceedings.

7.2 If PRF elects to join in legal proceedings commenced by LICENSEE or sublicensee, or if LICENSEE or sublicensee elected to join in legal proceedings commanded by PRF, all fees and costs incurred therein, and all damages shall be the responsibility of PRF. If one Party elects not to join in legal proceedings initiated by the other Party, then the initiating Party shall be responsible for all fees and costs incurred therein. All reasonable costs and expenses incurred as a result of said legal proceedings shall be recoverable by LICENSEE or sublicensee out of damages and awards recovered by LICENSEE, sublicensee and/or PRF. Any remaining amounts from damages and awards, once costs and expenses have been recovered, shall be divided between LICENSEE and PRF as follows: LICENSEE shall retain seventy-five percent (75%) and PRF shall retain twenty-five percent (25%) of the damages and awards recovered by LICENSEE. Each Party shall reasonably cooperate with the other Party, whether joining or not, in the conduct of the proceedings (such as by joining in name only); however, where PRF is joined in any such legal proceedings in name only as a necessary party and not at its election, then LICENSEE shall indemnify and hold harmless PRF from and against any and all actions, claims, and counterclaims brought against PRF, and LICENSEE agrees to pay all legal expenses, damages, and costs which may be finally assessed against PRF in such actions, claims, and counterclaims.

7.3 PRF makes no warranty that the subject matter of the invention licensed hereunder will not infringe any third party patent and PRF makes no covenant either to defend any infringement charge by a third party or to institute action against infringers of any Patents hereby licensed.

[*] = 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.

7.4 If LICENSEE, any sublicensee or customer is named as a defendant in a lawsuit (hereinafter "Defendant") charging Defendant with patent infringement as a result of its manufacture or sale of Licensed Products or its use of Licensed Products as disclosed in Patents or otherwise contending that Defendant does not have the right to manufacture, sell or so use Licensed Products, and LICENSEE so notifies PRF that such a lawsuit has been filed and provides PRF with copies of the Complaint and all papers associated with its filing. LICENSEE shall have the right to establish an Escrow Account for the mutual benefit of PRF and LICENSEE. For so long as LICENSEE bears any liability for costs or damages as a result of such lawsuit LICENSEE shall be entitled to deposit one-half (1/2) of the royalty payments to be paid to PRF under Paragraph 4.2 hereof into said Escrow Account. The other one-half (1/2) of the royalty payments required to be paid under Paragraph 4.2 hereof shall continue to be paid to PRF under the terms of this Agreement. If no royalty payments are yet due PRF during the period of the defense of any such alleged infringement, LICENSEE shall be entitled to accrue a credit for all sums expended to pay any costs and to pay any damages which may be awarded for infringement, and to offset these expenditures against any royalties to be paid to PRF.

The amounts deposited into the Escrow Account shall be used to pay LICENSEE's out-of-pocket monetary expenses actually incurred in defending the lawsuit, including attorneys' fees and any damages assessed against Defendant based specifically and only on Defendant's manufacture, use or sale of Licensed Products. The Escrow account shall be established as a Federally Insured deposit account earning interest not less than money market or equivalent rates. The agreement establishing the Escrow Account shall require the Escrow Agent to provide PRF and LICENSEE with accurate accounting reports, to reimburse LICENSEE for its said expenses as approved in writing by PRF, and to remit to PRF any balance left in said account immediately all costs have been paid and all damage awards have been satisfied. PRF shall approve all of out-of-pocket expenses for reimbursement by the Escrow Agent provided the expenses are accurately documented for PRF and shown to be reasonably necessary to the defense of the lawsuit or an actual payment of assessed damages. LICENSEE shall have no recourse against PRF concerning such a lawsuit other than the provisions of this Section 7.4.

ARTICLE VIII — PRODUCT LIABILITY

8.1 LICENSEE shall indemnify and save PRF and/or Purdue University harmless from any and all claims, demands, actions and causes of action against, PRF whether groundless or not, in connection with any and all injuries, losses, damages or liability of any kind whatsoever arising, directly or indirectly, out of use, distribution, or sale of Licensed Products by or through the LICENSEE or its Affiliates or sublicensees whether or not the claims, demands, actions or causes of action are alleged to have resulted in whole or in part from the negligent acts or omissions of PRF and/or Purdue University or from acts or omissions of such persons for which they are or any of them would otherwise be strictly liable. This indemnification obligation shall include, without limiting the generality of the foregoing, reasonable attorney fees and other costs or expenses incurred in connection with the defense of any and all such claims, demands, actions, or causes of action, and shall extend to the Trustees, officers, employees, and agents of PRF and/or Purdue University. This indemnification obligation does not extend to any occurrences or events whether at the PRF's or Purdue University's facilities or elsewhere except those occurring in connection with the use, distribution, or sale of Licensed Products by or through LICENSEE, or its Affiliates.

[*] = 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.

8.2 LICENSEE shall obtain and carry in full force and effect liability insurance which shall protect LICENSEE and PRF in regard to the events covered by Section 8.1 herein. LICENSEE shall name PRF as an additional name insured on said liability insurance. The policy of said liability insurance shall require written notice of termination to be provided to PRF at least thirty (30) days prior to expiration or other cancellation thereof.

8.3 PRF hereby warrants that as of the Effective Date, it is aware of no fact which places the validity of the Patents into question. Further, PRF hereby warrants that as of the Effective Date, it is unaware of any patent or claim by any third party upon the basis of which PRF has any reason to believe that the making, using or selling of any Licensed Product will infringe any valid United States patent.

8.4 EXCEPT TO THE EXTENT EXPRESSLY STATED TO THE CONTRARY IN THIS AGREEMENT, PRF SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, DESIGN, OPERATION OR FITNESS FOR USE OF LICENSED PRODUCTS OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO LICENSED PRODUCTS OR LICENSED PATENTS. PRF EXPRESSLY MAKES NO WARRANTY OF VALIDITY OF PATENTS LICENSED HEREUNDER.

ARTICLE IX — EXPORT CONTROLS

9.1 It is understood that PRF is subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations hereunder are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE shall not export data or commodities to certain foreign countries without prior approval of such agency. PRF neither represents that a license shall not be required nor that, if required, it shall be issued.

[*] = 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.

ARTICLE X — NON-USE OF NAMES

10.1 LICENSEE shall not use the names of the Purdue Research Foundation nor Purdue University nor any of its employees, nor any adaptation thereof, in any advertising, promotional or sales literature without prior written consent obtained from PRF in each case, except that LICENSEE may state that it is licensed by PRF under one or more of the Patents and/or applications comprising the Patents.

10.2 LICENSEE agrees that it will not under any circumstances advertise or otherwise state or imply that PRF or Purdue University has tested or approved any product or process.

ARTICLE XI — ASSIGNMENT

11.1 This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their successors and permitted assigns. LICENSEE shall be permitted to assign its rights and obligations under this Agreement upon the written consent of PRF, which shall not be unreasonably withheld.

ARTICLE XII — TERMINATION

12.1 If LICENSEE shall be in default of any material obligation hereunder, and shall fail to remedy such default within ninety (90) days after notice thereof by PRF, this Agreement may be terminated at the option of PRF by notice to that effect.

12.2 LICENSEE shall have the right to terminate this Agreement at any time by giving notice in writing to PRF of its intent to do so at least sixty (60) days prior to a termination date designated in said notice. In the event this Agreement is terminated pursuant to this paragraph 12.2, LICENSEE must pay PRF, not later than sixty (60) days after said designated termination, any royalties due under Article IV prior to the designated termination date.

12.3 In the event of any termination under this Article, LICENSEE shall, at PRF's request, assign its rights under any sublicense agreement hereunder to PRF.

12.4 Unless otherwise terminated as provided herein, this Agreement shall remain in full force and effect until the expiration of the last-to-expire of the Valid Claim or Claims.

[*] = 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.

12.5 This License Agreement shall be voidable by PRF in the event LICENSEE files bankruptcy.

ARTICLE XIII — PAYMENTS, NOTICES, AND OTHER COMMUNICATIONS

13.1 Service of all notices or reports provided for herein shall be deemed duly given if sent by registered or certified mail, postage prepaid, to the addresses below. The date of mailing shall be the date of such notice.

LICENSEE: President
Endocyte Corporation
1205 Kent Avenue
West Lafayette, Indiana 47906

PRF: Office of Technology Transfer (P-88080)
Purdue Research Foundation
1063 Hovde Hall, Room 300
West Lafayette, IN 47907-1063

13.2 LICENSEE agrees to give PRF reasonable notice of all management meetings to be held by LICENSEE involving the Licensed Products and will permit PRF to attend all such meetings.

ARTICLE XIV — GENERAL

14.1 PRF warrants and represents that as of the date of this Agreement it is the exclusive and sole owner of the Patents and that PRF has the right to make the conveyances set forth herein.

14.2 LICENSEE shall mark the Licensed Products in accordance with 35 U.S.C. 287 and shall require same of any Affiliates or sublicensees.

14.3 PRF shall not be liable to LICENSEE for failure by LICENSEE to obtain profit or income from Licensed Products.

14.3 This Agreement shall be construed according to the laws of the State of Indiana. It constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and may not be modified or extended except by written document signed by an executive officer of the Parties.

14.4 IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized officers as of the day and year 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 (PRF)	**ENDOCYTE CORPORATION (LICENSEE)**
/s/ William E. Baitinger	/s/ P. Ron Ellis
Signature	Signature
William E. Baitinger	
Senior Technology Mgr.	P. Ron Ellis
Typed Name	Typed Name
	President and CEO
Title	Title

[*] = 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.

APPENDIX A

United States Patents Granted and Applications Pending

Purdue Reference Number	Matter #	Serial #	Issue/Filing Date	Title	Status
P-88080.10.US	20035	07/498,762	3/28/90 4/28/92	*Method of Enhanced Transmembrane Transport of Exogenous Molecules (continuation of P-88080 now abandoned) (biotin, riboflavin)*	(CIP of 07/331,816, 4/30/89 ABAN) Patent No. 5,108,921; Expires 4/28/2009
P-88080.20.US	21712	07/851,544	3/13/92 5/16/95	*Method of Enhanced Transmembrane Transport of Exogenous Molecules (folate)*	U.S. Patent No. 5,416,016 Expires 5/16/2012
P-88080.30.US	25043	08/349,407	12/05/94 6/3/97	*Method of Enhanced Transmembrane Transport of Exogenous Molecules (thiamin)*	U.S. Patent No. 5,635,382 Expires 12/5/2014
P-88080.3A.US	28035	08/784,019	1/15/97 10/13/98	*Method for Targeting a Diagnostic Agent to Cells (no transmembrane transport required)*	U.S. Patent No. 5,820,847 Expires 1/15/2017
P-88080.40.US	25124	08/442,174	5/16/95 11/18/97	*Composition and Method for Tumor Imaging*	U.S. Patent No. 5,688,488 Expires 5/16/2015
P-96114.00.US	62306	N/A	10/16/98	*Folic Acid Derivatives*	U.S. Nationalized PCT filed 4/17/00
			—		Provisional Filed

[*] = 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 Reference Number	Matter #	Serial #	Issue/Filing Date	Title	Status
P-99072.P1.US	65007	N/A	3/31/00	*Method of Treatment Using Lignad-Immunogen Conjugates*	

[*] = 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.

U.S. Parent: Matter No. 20035 (P-88080.1), U.S. Patent 5,108,921

FOREIGN COUNTERPARTS

Purdue Ref. #	Matter#	Application No.	Country Filed	Status
P-88080.10.EP	21407	90906542.7-21	E.P.C.	Application published 1/22/92 as Publication No. 0466816; Application granted 11/26/97 Claims directed to biotin and folate
P-88080.10.JP	21408	2-506140	Japan	Application filed: 4/2/90 Requested Exam 3/13/97 claims conformed to EPO
P-88080.10.IE	20070	1201/90	Ireland	Application filed: 4/3/90 Copy of EPO granted application filed
P-88080.10.CA	20071	2013582-4	Canada	Application filed: 4/2/90 Requested Exam 3/13/97 claims conformed to EPO
P-88080.10.IL	20072	93983	Israel	Application filed: 4/2/90 Application issued May 19, 1997 Expires 4/2/2010
P-88080.10.ZA	20073	90/2538	South Africa	Patent Issued: 1/30/91 Patent No. 90/2538 Expires April 3, 2010
	20080	—	Singapore	Application abandoned November 11, 1997

[*] = 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 Ref #	Matter#	Application No.	Country Filed	Status
P-88080.10.AT	28833	90906542.7-2105	Austria	Issued 11/26/97 Patent No. ATE 160583T
P-88080.10.BE	28834	90906542.7-2105	Belgium	Issued 11/26/97 Patent No. 0466816
P-88080.10.CH	28835	90906542.7-2105	Switzerland	Issued 11/26/97 Patent No. 0466816
P-88080.10.DE	28836	90906542.7-2105	Germany	Issued 11/26/97 Patent No. 69031763.8
P-88080.10.DK	28837	90906542.7-2105	Denmark	Issued 11/26/97 Patent No. 0466816
P-88080.10.ES	28838	90906542.7-2105	Spain	Issued 11/26/97 Patent No. 0466816
P-88080.10.FR	28839	90906542.7-2105	France	Issued 11/26/97 Patent No. 0466816
P-88080.10.GB	28840	90906542.7-2105	Great Britain	Issued 11/26/97 Patent No. 0466816
P-88080.10.IT	28841	90906542.7-2105	Italy	Issued 11/26/97 Patent No. 0466816

[*] = 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.

U.S. Parent: Matter No. 20035 (P-88080.1), U.S. Patent 5,108,921

FOREIGN COUNTERPARTS

Purdue Ref #	Matter#	Application No.	Country Filed	Status
P-88080.10.LU	28842	90906542.7-2105	Luxemburg	Issued 11/26/97 Patent No. 0466816
P-88080.10.NL	28843	90906542.7-2105	Netherlands	Issued 11/26/97 Patent No. 0466816
P-88080.10.SE	28844	90906542.7-2105	Sweden	Issued 11/26/97 Patent No. 0466816

[*] = 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.

U.S. Parent: Matter No. 25124 (P-94096), U.S. Patent No. 5,688,488

FOREIGN COUNTERPARTS

Purdue Ref #	Matter#	Application No.	Country Filed	Status
P-94096.00.WO	26855	PCT/US96/07002	PCT	Abandoned in favor of national applications
P-94096.00.CA	29190	2220008	Canada	Application filed 5/16/96 Request for Exam filed 3/97
P-94096.00.EP	29191	96916476.3	E.P.C.	Application filed 5/16/96
P-94096.00.JP	29192	08-535034	Japan	Application filed: 5/16/96 Request for Exam filed 3/97

[*] = 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.

APPENDIX B

EXCLUSIVE LICENSE AGREEMENT

THIS AGREEMENT is entered on this 17 th day of July, 1998 and shall be effective as of the 21 st day of December, 1995 ("Effective Date") by and between PURDUE RESEARCH FOUNDATION, a corporation of Indiana having an address at West Lafayette, Indiana 47907 (hereinafter "PRF"), and Endocyte Corporation, an Indiana corporation, having a place of business at Lafayette, Indiana (hereinafter "LICENSEE"), PRF and LICENSEE collectively referred to hereinafter as "the Parties."

WITNESSETH:

WHEREAS, PRF is the owner by assignment of those United States Patents and corresponding patents in other countries all as set forth in Appendix A attached hereto (hereinafter, together with all divisions, continuations, continuations-in-part, foreign counterparts, and reissues thereof, called the "Patents"); and

WHEREAS, PRF and LICENSEE have previously executed an Exclusive License Agreement (Appendix B), dated December 2, 1996. LICENSEE and PRF agree that the terms and conditions of this Exclusive License Agreement shall supercede and take precedence over the previous Exclusive License Agreement (Appendix B) issued on December 2, 1996.

WHEREAS, LICENSEE desires expanded license rights under such Patents and PRF is willing to grant such license rights under the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth, the Parties hereto agree as follows:

ARTICLE I — DEFINITIONS

As used herein, the following terms shall have the following meanings:

1.1 "Affiliate" shall mean a corporation, company, partnership, or other business entity which controls or is controlled by, or is under common control with, the designated party. In the case of a corporation or company, "control" means ownership either directly or indirectly of at least fifty percent (50%) of the shares of stock entitled to vote for the election of directors. The term "Affiliate" shall not include a third-party sublicensee of LICENSEE.

1.2 "FDA Approval" shall mean final approval from the United States Food and Drug Administration to distribute, market and sell any Licensed Product in the United States.

[*] = 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.

1.3 "Licensed Products" shall mean products falling within the scope of a Valid Claim or claims of the Patents or made by processes within the scope of a Valid Claim or claims of the Patents.

1.4 "Sales Value" shall mean (i) in the case of Licensed Products used by LICENSEE or its Affiliates, the list price thereof for sales to third parties; (ii) in the case of Licensed Products sold to third parties, the invoice price, F.O.B place of manufacture, exclusive of sales taxes, packing, shipping and insurance charges, and less returns, allowances, and discounts actually allowed; and (iii) in the case of any use of any Licensed Product by LICENSEE, any Affiliate or any third party for the purpose of any testing or studies necessary to obtain FDA Approval, Zero Dollars ($0.00).

1.5 "Valid Claim" shall mean any claim contained in any pending patent application or issued patent included within the Patents which has not been abandoned or declared invalid in a non-appealable order, as the case may be, and which would be infringed by the manufacture, use or sale of Licensed Products in the absence of the licenses granted hereunder.

1.6 "Territory" shall mean all countries, worldwide.

1.7 "Field of Use" shall mean:

(b) All Diagnostic and Imaging Applications; and

(b) All Therapeutic Applications.

1.8 "Therapeutic Applications" shall mean any use of a Licensed Product for the curative treatment or healing of disease or injury.

1.9 "Diagnostic or Imaging Applications" shall mean any use of a Licensed Product for purposes of the investigation or determination of the nature or extent of any disease or injury.

ARTICLE II — GRANTS

2.1 PRF grants, subject to the terms of this Agreement, to LICENSEE a royalty-bearing, exclusive license under the Patents to make, to have made, use and sell Licensed Products in the Field of Use in the Territory.

2.2 LICENSEE shall have the right to grant sublicenses under the license granted herein, and to extend the sublicenses to any third party or Affiliate of LICENSEE.

[*] = 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.

LICENSEE shall notify PRF promptly of any grant of sublicense hereunder and the terms thereof.

2.3 PRF shall reserve, and the license granted shall be subject to the royalty-free right in PRF (or in Purdue University, if PRF's rights are assigned to the University) to make or have made for its use (but not to sell) the products or devices (or the rights to practice the process, if a process invention) under each patent, provided that such reserved rights shall be used by PRF (or the University as the case may be) solely for educational and research purposes and not for commercial purposes.

2.4 All rights reserved to the United States Government and others under Public Law 96-517 and 98-620 shall remain and shall in no way be affected by this Agreement. Portions of the Patents were developed under Grant 89-45-DC8-88-11465 awarded by the National Science Foundation.

2.5 PRF hereby warrants that it is the owner of the Patents and that such Patents are not subject to any lien, encumbrance, license or claim of ownership of any third party, except to the extent stated in Section 2.4, in derogation of the rights granted to LICENSEE in this Agreement.

ARTICLE III — DUE DILIGENCE

3.1 (a) LICENSEE shall use its best efforts to bring one or more Licensed Products in the Field of Use to market through a thorough, vigorous and diligent program for exploitation of Patents. LICENSEE shall supply to PRF a business and project plan for the Licensed Products to PRF no later than twelve (12) months after the Effective Date.

(b) LICENSEE further agrees to secure $[*] to be expended for the testing and development of the Licensed Products. Once this initial funding of $[*] has been expended (the "Crossover Date"), LICENSEE shall provide evidence of obtaining Additional Support needed to develop the technology. Additional support shall be defined as:

(I) Having secured additional funding of at least $[*]; or

(II) Enter into a venture for the development and commercialization of the Diagnostic Imaging and Therapeutic applications of the Licensed Products.

[*] = 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.

If after 24 months after the Crossover Date the LICENSEE has not provided evidence of Additional Support, this Agreement may be terminated on written notice of PRF.

(d) LICENSEE further agrees to begin the development of Therapeutic Applications of the Licensed Products, other than those involving Gene Therapy, no later than eighteen months from the Effective Date.

(e) LICENSEE further agrees to provide evidence of being in bona fide negotiations or in-house development for Gene Therapy applications no later than thirty-six (36) months from the Effective Date.

(f) LICENSEE further agrees to provide $[*] over a three year period from Effective Date to fund research at Purdue University.

3.2 It at any time following twenty-four (24) months following FDA Approval, PRF is of the opinion that LICENSEE is not meeting the public demand for Licensed Products, PRF shall notify LICENSEE to that effect and LICENSEE shall have six (6) months after such notice within which to meet such demand or to make other arrangements satisfactory to PRF. If at the end of six (6) months' period PRF is not satisfied that the public demand is or will be reasonably met by LICENSEE, PRF may, at its option, terminate the license or convert the exclusive license to a non-exclusive license upon sixty (60) days' notice to LICENSEE. Net sales, based upon Sales Value, of [*] or more of the Licensed Products by LICENSEE and any sublicensees during the first twenty-four (24) months following FDA Approval shall be regarded by PRF as meeting the public demand. Public demand is defined as having the product/process available in quantities sufficient to satisfy the needs of the public at a reasonable cost.

ARTICLE IV — PRF ROYALTY OBLIGATIONS

4.1 LICENSEE shall pay PRF licensing fees according to the following schedule:

(b) $[*] on the Effective Date;

(b) $[*] six months after the Effective Date;

(b) $[*] twelve months after the Effective Date;

(b) $[*] eighteen months after the Effective Date; and

(b) $[*] twenty-four months after the Effective Date.

4.2 Subject to all the terms and conditions of this Agreement, for each calendar year this Agreement is in effect, LICENSEE shall pay to PRF an earned royalty, which shall be agreed to in writing by the parties and which shall not exceed the maximum percentages set forth below, calculated as a percentage of the Sales Value of Licensed Products used or sold by LICENSEE, it sublicensees or its Affiliates in the Territory during such calendar year. The maximum royalty percentages shall be:

[*] = 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.

(a) [*] for Therapeutic Applications

(b) [*] for Diagnostic and Imaging Applications

At any time during the term of this Agreement, the parties shall be free to renegotiate, in good faith, the earned royalty percentages previously agreed to; provided that, in no event shall the renegotiated royalty percentages exceed the maximum royalty percentages set forth above.

4.3 LICENSEE shall pay to PRF an annual minimum royalty for each calendar year during the life of this Agreement beginning in calendar year 1998. The minimum royalty shall be payable on or before December 31 of each such calendar year. The minimum royalties shall be as follows:

2002	$	5,000
2003	$	7,500
2004	$	10,000
2005	$	12,500
Each year thereafter	$	12,500

If earned royalties for any calendar year do not equal or exceed the minimum royalty owed for that calendar year, LICENSEE shall pay PRF an amount equal to the difference between the calendar year earned royalty and the calendar year minimum royalty, said amount payable on or before January 31 of the next following calendar year.

ARTICLE V — RECORDS, REPORTS, PAYMENTS

5.1 LICENSEE shall keep accurate books and records showing all sales and use by LICENSEE and its sublicensee of Licensed Products, together with such other information as shall be necessary to enable earned royalties to be computed, and on or before the last day of March, June, September, and December of each year during the life of this Agreement. LICENSEE shall render to PRF a written report showing the calculation, in reasonable detail, of earned royalty for the preceding calendar quarter and shall accompany each such report with payment of any amount shown to be due. Such reports are to be made by LICENSEE whether or not royalties are owed. Such reports and any royalties due will be made to PRF within thirty (30) days of the end of each calendar quarter. LICENSEE's records and books shall be open during reasonable business hours for reasonable inspection by a certified public accountant appointed and paid for by PRF and reasonably acceptable to LICENSEE, to determine the accuracy of such royalty statements and payments but for not other purpose. PRF agrees that it and its designees shall keep confidential and shall not disclose or use for purposes other than those set forth in Section 5.1, any information, report or document provided to or made available to PRF or its designee.

[*] = 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.

ARTICLE VI — PATENT PROSECUTION

6.1 PRF shall apply for and seek issuance of Patents and shall maintain the Patents for the duration of the term of the Patents during the term of this Agreement. The prosecution, filing and maintenance of all Patents shall be the primary responsibility of PRF; provided, however, LICENSEE shall have reasonable opportunities to advise PRF and shall cooperate with PRF in such prosecution, filing, and maintenance. PRF shall promptly provide LICENSEE copies of all notices and correspondence to or from the U.S .Patent and Trademark Office and any foreign patent offices.

6.2 Payment of all fees and costs relating to the filing, prosecution, and maintenance of the Patents shall be the responsibility of LICENSEE, whether or not such fees and costs were incurred before or after the date of this Agreement. PRF acknowledges receipt of patent expenses in the amount of $209,705.41 (see Appendix C) which covers all prior patent expenses through April 30, 1998.

ARTICLE VII — INFRINGEMENT/ENFORCEMENT

7.1 If during the term of this Agreement one ore more Patents licensed hereunder is or appears to be infringed by a third party within the Field of Use, then the party having knowledge thereof shall notify the other and the parties shall consult to consider what, if any, action should be taken. Under no circumstances shall PRF have the obligation to enforce Patents. LICENSEE shall have the first right (but not the obligation) to notify the infringer and/or initiate litigation or legal proceedings to abate the infringement, with the prior consent of PRF. PRF may elect to join in any such legal proceedings against the alleged infringer. In the event LICENSEE has not initiated such legal proceedings within six (6) months after becoming aware of the infringement, then PRF may initiate such legal proceedings on its own behalf; and thereafter, LICENSEE may elect to join in those proceedings.

[*] = 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.

7.2 If PRF elects to join in legal proceedings commenced by LICENSEE, or if LICENSEE elected to join in legal proceedings commanded by PRF, all fees and costs incurred therein, and all damages shall be the responsibility of PRF. If one Party elects not to join in legal proceedings initiated by the other Party, then the initiating Party shall be responsible for all fees and costs incurred therein. All reasonable costs and expenses incurred as a result of said legal proceedings shall be recoverable by LICENSEE out of damages and awards recovered by LICENSEE and/or PRF. Any remaining amounts from damages and awards, once costs and expenses have been recovered, shall be divided equally between LICENSEE and PRF. Each Party shall reasonably cooperate with the other Party, whether joining or not, in the conduct of the proceedings (such as by joining in name only); however, where PRF is joined in any such legal proceedings in name only as a necessary party and not at its election, then LICENSEE shall indemnify and hold harmless PRF from and against any and all actions, claims, and counterclaims brought against PRF, and LICENSEE agrees to pay all legal expenses, damages, and costs which may be finally assessed against PRF in such actions, claims, and counterclaims.

7.3 PRF makes no warranty that the subject matter of the invention licensed hereunder will not infringe any third party patent and PRF makes no covenant either to defend any infringement charge by a third party or to institute action against infringers of any Patents hereby licensed.

7.4 If LICENSEE, any sublicensee or customer is named as a defendant in a lawsuit (hereinafter "Defendant") charging Defendant with patent infringement as a result of its manufacture or sale of Licensed Products or its use of Licensed Products as disclosed in Patents or otherwise contending that Defendant does not have the right to manufacture, sell or so use Licensed Products, and LICENSEE so notifies PRF that such a lawsuit has been filed and provides PRF with copies of the Complaint and all papers associated with its filing. LICENSEE shall have the right to establish an Escrow Account for the mutual benefit of PRF and LICENSEE. For so long as LICENSEE bears any liability for costs or damages as a result of such lawsuit LICENSEE shall be entitled to deposit one-half (1/2) of the royalty payments to be paid to PRF under Paragraph 4.2 hereof into said Escrow Account. The other one-half (1/2) of the royalty payments required to be paid under Paragraph 4.2 hereof shall continue to be paid to PRF under the terms of this Agreement. If no royalty payments are yet due PRF during the period of the defense of any such alleged infringement, LICENSEE shall be entitled to accrue a credit for all sums expended to pay any costs and to pay any damages which may be awarded for infringement, and to offset these expenditures against any royalties to be paid to PRF.

[*] = 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.

The amounts deposited into the Escrow Account shall be used to pay LICENSEE's out-of-pocket monetary expenses actually incurred in defending the lawsuit, including attorneys' fees and any damages assessed against Defendant based specifically and only on Defendant's manufacture, use or sale of Licensed Products. The Escrow account shall be established as a Federally Insured deposit account earning interest not less than money market or equivalent rates. The agreement establishing the Escrow Account shall require the Escrow Agent to provide PRF and LICENSEE with accurate accounting reports, to reimburse LICENSEE for its said expenses as approved in writing by PRF, and to remit to PRF any balance left in said account immediately all costs have been paid and all damage awards have been satisfied. PRF shall approve all of out-of-pocket expenses for reimbursement by the Escrow Agent provided the expenses are accurately documented for PRF and shown to be reasonably necessary to the defense of the lawsuit or an actual payment of assessed damages. LICENSEE shall have no recourse against PRF concerning such a lawsuit other than the provisions of this Section 7.4.

ARTICLE VIII — PRODUCT LIABILITY

8.1 LICENSEE shall indemnify and save PRF and/or Purdue University harmless from any and all claims, demands, actions and causes of action against, PRF whether groundless or not, in connection with any and all injuries, losses, damages or liability of any kind whatsoever arising, directly or indirectly, out of use, distribution, or sale of Licensed Products by or through the LICENSEE or its Affiliates or sublicensees whether or not the claims, demands, actions or causes of action are alleged to have resulted in whole or in part from the negligent acts or omissions of PRF and/or Purdue University or from acts or omissions of such persons for which they are or any of them would otherwise be strictly liable. This indemnification obligation shall include, without limiting the generality of the foregoing, reasonable attorney fees and other costs or expenses incurred in connection with the defense of any and all such claims, demands, actions, or causes of action, and shall extend to the Trustees, officers, employees, and agents of PRF and/or Purdue University. This indemnification obligation does not extend to any occurrences or events whether at the PRF's or Purdue University's facilities or elsewhere except those occurring in connection with the use, distribution, or sale of Licensed Products by or through LICENSEE, or its Affiliates.

8.2 LICENSEE shall obtain and carry in full force and effect liability insurance which shall protect LICENSEE and PRF in regard to the events covered by Section 8.1 herein. LICENSEE shall name PRF as an additional name insured on said liability insurance. The policy of said liability insurance shall require written notice of termination to be provided to PRF at least thirty (30) days prior to expiration or other cancellation thereof.

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8.3 PRF hereby warrants that as of the Effective Date, it is aware of no fact which places the validity of the Patents into question. Further, PRF hereby warrants that as of the Effective Date, it is unaware of any patent or claim by any third party upon the basis of which PRF has any reason to believe that the making, using or selling of any Licensed Product will infringe any valid United States patent.

8.4 EXCEPT TO THE EXTENT EXPRESSLY STATED TO THE CONTRARY IN THIS AGREEMENT, PRF SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, DESIGN, OPERATION OR FITNESS FOR USE OF LICENSED PRODUCTS OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO LICENSED PRODUCTS OR LICENSED PATENTS. PRF EXPRESSLY MAKES NO WARRANTY OF VALIDITY OF PATENTS LICENSED HEREUNDER.

ARTICLE IX — EXPORT CONTROLS

9.1 It is understood that PRF is subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations hereunder are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE shall not export data or commodities to certain foreign countries without prior approval of such agency. PRF neither represents that a license shall not be required nor that, if required, it shall be issued.

ARTICLE X — NON-USE OF NAMES

10.1 LICENSEE shall not use the names of the Purdue Research Foundation nor Purdue University nor any of its employees, nor any adaptation thereof, in any advertising, promotional or sales literature without prior written consent obtained from PRF in each case, except that LICENSEE may state that it is licensed by PRF under one or more of the Patents and/or applications comprising the Patents.

[*] = 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.

10.2 LICENSEE agrees that it will not under any circumstances advertise or otherwise state or imply that PRF or Purdue University has tested or approved any product or process.

ARTICLE XI — ASSIGNMENT

11.1 This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their successors and permitted assigns. LICENSEE shall be permitted to assign its rights and obligations under this Agreement upon the written consent of PRF, which shall not be unreasonably withheld.

ARTICLE XII — TERMINATION

12.1 If LICENSEE shall be in default of any material obligation hereunder, and shall fail to remedy such default within ninety (90) days after notice thereof by PRF, this Agreement may be terminated at the option of PRF by notice to that effect.

12.2 LICENSEE shall have the right to terminate this Agreement at any time by giving notice in writing to PRF of its intent to do so at least sixty (60) days prior to a termination date designated in said notice. In the event this Agreement is terminated pursuant to this paragraph 12.2, LICENSEE must pay PRF, not later than sixty (60) days after said designated termination, any royalties due under Article IV prior to the designated termination date.

12.3 In the event of any termination under this Article, LICENSEE shall, at PRF's request, assign its rights under any sublicense agreement hereunder to PRF.

12.4 Unless otherwise terminated as provided herein, this Agreement shall remain in full force and effect until the expiration of the last-to-expire of the Valid Claim or Claims.

12.5 This License Agreement shall be voidable by PRF in the event LICENSEE files bankruptcy.

ARTICLE XIII — PAYMENTS, NOTICES, AND OTHER COMMUNICATIONS

13.1 Service of all notices or reports provided for herein shall be deemed duly given if sent by registered or certified mail, postage prepaid, to the addresses below. The date of mailing shall be the date of such notice.

[*] = 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.

LICENSEE: President
Endocyte Corporation
1291 Cumberland, Suite E
West Lafayette, Indiana 47906

PRF: Office of Technology Transfer (P-88080)
Purdue Research Foundation
1063 Hovde Hall, Room 300
West Lafayette, IN 47907-1063

13.2 LICENSEE agrees to give PRF reasonable notice of all management meetings to be held by LICENSEE involving the Licensed Products and will permit PRF to attend all such meetings.

ARTICLE XIV — GENERAL

14.1 PRF warrants and represents that as of the date of this Agreement it is the exclusive and sole owner of the Patents and that PRF has the right to make the conveyances set forth herein.

14.2 LICENSEE shall mark the Licensed Products in accordance with 35 U.S.C. 287 and shall require same of any Affiliates or sublicensees.

14.3 PRF shall not be liable to LICENSEE for failure by LICENSEE to obtain profit or income from Licensed Products.

14.4 This Agreement shall be construed according to the laws of the State of Indiana. It constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and may not be modified or extended except by written document signed by an executive officer of the Parties.

[*] = 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 caused this instrument to be executed by their duly authorized officers as of the day and year first above written.

PURDUE RESEARCH FOUNDATION (PRF)	**ENDOCYTE CORPORATION (LICENSEE)**
/s/ William E. Baitinger	/s/ P. Ron Ellis
Signature	Signature
William E. Baitinger	P. Ron Ellis
Typed Name	Typed Name
Senior Technology Manager	President/CEO
Title	Title

[*] = 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.

Appendix A

ADD:

Title:

STRATEGY FOR PHARMACEUTICAL TARGETING

Purdue Reference Number	Matter #	Serial #	Filing/ Issue Date	Title	Status
P-00110.00.WO	290.00260201	PCT/US02/13045	4/24/02	FOLATE MIMETICS AND FOLATE-RECEPTOR BINDING CONJUGATES THEREOF	File Demand for Preliminary Examination By 11/24/02

[*] = 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.

APPENDIX A

U.S. Patents and Patent Applications

S/N 07/690,530
S/N 08/254,299
S/N 08/630,383
S/N 08/752,671
S/N 09/541,482
S/N 09/452,727
S/N 09/506,505

PCT Applications

PCT/US97/05842
PCT/US97/18475

Foreign Patents and Patent Applications

European Patent No. 0 510 949 B (based on European Patent Application No. 92303618.0)
European Patent Application No. 97917902.5
European Patent Application No. 97949336.8

Japanese Patent No. 3105629 (based on Japanese Patent Application No. 04-89223)
Japanese Patent Application No. 9-536451

Canadian Patent Application No. 2066810
Canadian Patent Application No. 2218737

Australian Patent Application No. 26100/97

[*] = 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 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 21st day of February, 2001 amends the Agreement executed October 21, 1998 between Purdue Research Foundation (hereinafter known as PRF) and Endocyte Corporation (hereinafter known as LICENSEE).

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

1. Appendix A

The following technology entitled, "Folate Mediated Targeting of Antigens and Haptens to Tumors" (PRF Ref. No.: P-99072) is being added to the Exclusive License Agreement executed on October 21, 1998.

PRF is the owner of this technology by assignment of the United States Patents and corresponding patents in other countries (hereinafter, together with all divisions, continuations, continuations-in-part, foreign counterparts, and reissues thereof).

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

By: /s/ Elizabeth J. Kuuttila

Elizabeth J. Kuuttila
Asst. Vice President and Director

Endocyte Corporation

By: /s/ P. Ron Ellis

P. Ron Ellis
President and CEO

Agreed and Acknowledged

/s/ Philip S. Low
Philip S. Low

[*] = 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 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 21st day of February, 2001 amends the Agreement executed October 21, 1998 between Purdue Research Foundation (hereinafter known as PRF) and Endocyte Corporation (hereinafter known as LICENSEE).

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

1. Appendix A

The following technology entitled, "Macrophage Killing Using Ligand-Immunogen Conjugates" (PRF Ref. No.: P-01023) is being added to the Exclusive License Agreement executed on October 21, 1998.

PRF is the owner of this technology by assignment of the United States Patents and corresponding patents in other countries (hereinafter, together with all divisions, continuations, continuations-in-part, foreign counterparts, and reissues thereof).

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

By: /s/ Elizabeth J. Kuuttila

Elizabeth J. Kuuttila
Asst. Vice President and Director

Endocyte Corporation

By: /s/ P. Ron Ellis

P. Ron Ellis
President and CEO

Agreed and Acknowledged

/s/ Philip S. Low
Philip S. Low

[*] = 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
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 17th day of June, 2002 amends the Agreement executed October 21, 1998 between Purdue Research Foundation (hereinafter known as PRF) and Endocyte Corporation (hereinafter known as LICENSEE).

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

Witnesseth

Add

PRF and LICENSEE are joint owners of technology disclosed as P-00110.

Grant

Replace

Article 2.1 — PRF grants, subject to the terms of this Agreement to the extent of its rights in Patents, a royalty-bearing, exclusive license under the Patents to make, to have made, use, sell and import and sell Licensed Products in the Field of Use in the Territory.

Patent Prosecution

Add

Article 6.6 — LICENSEE is responsible for prior patent costs for P-00110 in the amount of $10,293.05 whether or not such fees and costs were incurred before or after the date of Agreement. LICENSEE shall pay patent costs in three (3) installments beginning upon execution of the Amendment and three (3) month intervals after such date. See schedule below:

Upon execution of Amendment	$	3,431.01
3 months after execution	$	3,431.02
3 months after last payment	$	3,431.02

Appendix A

Add technology entitled, "Strategy for Pharmaceutica Targeting" (PRF Ref. No.: P-00110), see attached.

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

By: /s/ Elizabeth J. Kuuttila

Elizabeth J. Kuuttila
Asst. Vice President and Director

Endocyte Corporation

By: /s/ P. Ron Ellis

Name P. Ron Ellis
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.

AMENDMENT #5 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 20th day of November, 2002 amends the Agreement executed October 21,1998 between Purdue Research Foundation (hereinafter known as PRF) and Endocyte Corporation (hereinafter known as LICENSEE).

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

1. WITNESSETH

   Add

   PRF is the owner of the technology entitled, "Method of Treatment Using Ligand-Immunogen Conjugates (Toll-like receptors)" PRF Reference Number P-01118 by assignment of the United States Patents and corresponding patents in other countries (hereinafter, together with all divisions, continuations, continuations-in-part, foreign counterparts, and reissues thereof).

2. Appendix A

   Replace with the following Appendix A

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 fist above written.

Purdue Research Foundation

By: /s/ Elizabeth J. Kuuttila

Name: Elizabeth J. Kuuttila
Title: Assistant Vice President
for Technology Commercialization

Endocyte Corporation

By: /s/ P. Ron Ellis

P. Ron Ellis
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.

APPENDIX A

United States Patents Granted and Applications Pending

Purdue Reference Number	Matter #	Serial #	Issue/Filing Date	Title	Status
P-88080.10.US	20035	07/498,762	3/28/90 4/28/92	*Method of Enhanced Transmembrane Transport of Exogenous Molecules (continuaiton of P-88080 now abandoned) (biotin, riboflavin)*	(CIP of 07/331,816, 4/30/89 ABAN) Patent No. 5,108,921; Expires 4/28/2009
P-88080.20.US	21712	07/851,544	3/13/92 5/16/95	*Method of Enhanced Transmembrane Transport of Exogenous Molecules (folate)*	U.S. Patent No. 5,416,016 Expires 5/16/2012
P-88080.30.US	25043	08/349,407	12/05/94 6/3/97	*Method of Enhanced Transmembrane Transport of Exogenous Molecules (thiamin)*	U.S. Patent No. 5,635,382 Expires 12/5/2014
P-88080.3A.US	28035	08/784,019	1/15/97 10/13/98	*Method for Targeting a Diagnostic Agent to Cells (no transmembrane transport required)*	U.S. Patent No. 5,820,847 Expires 1/15/2017
P-88080.40.US	25124	08/442,174	5/16/95 11/18/97	*Composition and Method for Tumor Imaging*	U.S. Patent No. 5,688,488 Expires 5/16/2015
P-96114.00.US	62306	N/A	10/16/98	*Folic Acid Derivatives*	U.S. Nationalized PCT filed 4/17/00

[*] = 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 Reference Number	Matter#	Serial #	Issue/Filing Date	Title	Status
P-99072.P1.US	65007	N/A	3/31/00	Method of Treatment Using Lignad-Immunogen Conjugates	Provisional Filed

INDS02 JZB 219872

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[*] = 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.

FOREIGN COUNTERPARTS

Purdue Ref. #	Matter#	Application No.	Country Filed	Status
P-88080.10.EP	21407	90906542.7-21	E.P.C.	Application published 1/22/92 as Publication No.0466816;Application Granted 11/26/97 Claims directed to biotin and folate
P-88080.10.JP	21408	2-506140	Japan	Application filed: 4/2/90 Requested Exam 3/13/97 claims conformed to EPO
P-88080.10.IE	20070	1201/90	Ireland	Application filed: 4/3/90 Copy of EPO granted application filed
P-88080.10.CA	20071	2013582-4	Canada	Application filed 4/2/90 Requested Exam 3/13/97 claims conformed to EPO
P-88080.10.IL	20072	93983	Israel	Application filed: 4/2/90 Application issued May 19, 1997 Expires 4/2/2010
P-88080.10.ZA	20073	90/2538	South Africa	Patent Issued: 1/30/91 Patent No. 90/2538 Expires April 3, 2010

[*] = 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.

20080 ---------- Singapore Application abandoned

November 11, 1997

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Purdue Ref #	Matter#	Application No.	Country Filed	Status
P-88080.10.AT	28833	90906542.7-2105	Austria	Issued 11/26/97 Patent No. ATE 160583T
P-88080.10.BE	28834	90906542.7-2105	Belgium	Issued 11/26/97 Patent No. 0466816
P-88080.10.CH	28835	90906542.7-2105	Switzerland	Issued 11/26/97 Patent No. 0466816
P-88080.10.DE	28836	90906542.7-2105	Germany	Issued 11/26/97 Patent No. 69031763.8
P-88080.10.DK	28837	90906542.7-2105	Denmark	Issued 11/26/97 Patent No. 0466816
P-88080.10.ES	28838	90906542.7-2105	Spain	Issued 11/26/97 Patent No. 0466816
P-88080.10.FR	28839	90906542.7-2105	France	Issued 11/26/97 Patent No. 0466816
P-88080.10.GB	28840	90906542.7-2105	Great Britain	Issued 11/26/97 Patent No. 0466816
P-88080.10.IT	28841	90906542.7-2105	Italy	Issued 11/26/97 Patent No. 0466816

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[*] = 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.

U.S. Parent: Matter No. 20035 (P-88080.1), U.S. Patent 5,108,921

FOREIGN COUNTERPARTS

Purdue Ref #	Matter #	Application No.	Country Filed	Status
P-88080.10.LU	28842	90906542.7-2105	Luxemburg	Issued 11/26/97 Patent No. 0466816
P-88080.10.NL	28843	90906542.7-2105	Netherlands	Issued 11/26/97 Patent No. 0466816
P-88080.10.SE	28844	90906542.7-2105	Sweden	Issued 11/26/97 Patent No. 0466816

[*] = 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.

FOREIGN COUNTERPARTS

Purdue Ref #	Matter#	Application No.	Country Filed	Status
P-94096.00.WO	26855	PCT/US96/07002	PCT	Abandoned in favor of national applications
P-94096.00.CA	29190	2220008	Canada	Application filed 5/16/96 Request for Exam filed 3/97
P-94096.00.EP	29191	96916476.3	E.P.C.	Application filed 5/16/96
P-94096.00.JP	29192	08-535034	Japan	Application filed: 5/16/96 Request for Exam filed 3/97

[*] = 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
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 22nd day of April, 2003 amends the Agreement executed October 21, 1998, (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte Corporation (hereinafter known as LICENSEE).

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

1. Appendix A

LICENSEE has requested and PRF agrees to add the following technologies entitled, "Imaging of Inflammation in Atherosclerosis" PRF reference number P-03046 and "Lupus" PRF reference number P-03055.

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

By: /s/ Simran Trana

Simran Trana
Director, Life Sciences

Endocyte Corporation

By: /s/ P. Ron Ellis

P. Ron Ellis
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.

AMENDMENT TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 7th day of, June 2006 amends the Agreement executed October 21, 1998, (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE).

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

Licensee has requested and PRF agrees to add the following technology entitled **"Folate-receptor Targeted Therapy to Monocyte-induced Inflammation" PRF Reference No. 64327** 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

By: /s/ Joseph B. Hornett

Joseph B. Hornett
Senior Vice President

Date: 6/8/2006

Endocyte, Inc.

By: /s/ Ron P. Ellis

Ron P. Ellis
President & CEO

Date: June 8, 2006

[*] = 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 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 10th day of, October 2006 amends the Agreement executed October 21, 1998, (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE).

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

Licensee has requested and PRF agrees to add the following technology entitled **"Folate Receptor Positive Endothelial Progenitor Cells (EPC)" PRF Reference No. 64556** 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

By: /s/ Joseph B. Hornett

Joseph B. Hornett
Senior Vice President

Date: 10/12/2006

Endocyte, Inc.

By: /s/ Ron P. Ellis

Ron P. Ellis
President & CEO

Date: 12 Oct 06

[*] = 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 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 10th day of October, 2006 amends the Agreement executed October 21, 1998, (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE).

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

Licensee has requested and PRF agrees to add the following technology entitled **"Detection of Folate Binding Protein with Enhanced Sensitivity Using a Functionalized Quartz Crystal Microbalance Sensor" PRF Reference No. 64616** 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, Inc.**
By: /s/ Joseph B. Hornett	By: /s/ Ron P. Ellis
Joseph B. Hornett Senior Vice President	Ron P. Ellis President & CEO
Date: 10/12/2006	Date: 12 Oct 06

[*] = 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 #9 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 1st day of, December 2006 amends the Agreement executed October 21, 1998, (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE).

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

Licensee has requested and PRF agrees to add the following technologies to Appendix A of the AGREEMENT.

"Low Dose Irradiation Enhances the Efficacy of Folate-hapten Targeted Immunotherapy" PRF Reference No. 64510 and "Folate Compounds Conjugated to F-18 for Use as Disease Diagnostics/Prognostics" PRF Reference No. 64261

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

By: /s/ Joseph B. Hornett

Joseph B. Hornett
Senior Vice President

Date: 12/8/2006

Endocyte, Inc.

By: /s/ Ron P. Ellis

Ron P. Ellis
President & CEO

Date: Dec. 8, 2006

[*] = 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 #10 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 22nd day of May, 2007 amends the Amended and Restated Agreement executed on October 21, 1998, (hereinafter AGREEMENT) between Purdue Research Foundation (hereinafter known as PRF) and Endocyte Corporation (hereinafter known as LICENSEE).

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

LICENSEE has requested and PRF agrees to add the following technologies to Appendix A of the AGREEMENT

"Method of Imaging Localized Infections" PRF reference number 64811;

"Novel PET Imaging Agents" PRF reference number 64812

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

By: /s/ Joseph B. Hornett

Joseph B. Hornett
Senior VP, Treasurer & COO

Endocyte Corporation

By: /s/ P. Ron Ellis

P. Ron Ellis
President & CEO

Date: 23 May 07

[*] = 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 #11 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 25th day of April, 2008 ("Amendment Effective Date") amends the Amended and Restated License Agreement executed on October 21st, 1998, (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:

The following Patents are added to Appendix A of the AGREEMENT as of the Amendment Effective Date.

1. "In Vivo Multiphoton Flow Cytometer" PRF Reference No. 64399

Field of Use for 64399 is limited to Folate-dependent uses only.

Purdue Ref. No:	Serial/Patent No.	Country	File/Issue Date	Comments
64399.00.US	N/A	U.S.	3/21/2008	Filed
64399.00.WO	PCT/US06/037112	World	9/22/2006	Nationalized

2. "Ex-vivo Flow Cytometry Method and Device" PRF Reference No. 64731

Purdue Ref. No:	Serial/Patent No.	Country	File/Issue Date	Comments
64731.00.WO	PCT/US07/023176	World	11/3/2007	Filed

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

By: /s/ Joseph B. Hornett

Joseph B. Hornett
Senior VP, Treasurer & COO

Endocyte Corporation

By: /s/ P. Ron Ellis

P. Ron Ellis
President & CEO

Date: 28 Apr 08

[*] = 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 #12 TO
EXCLUSIVE LICENSE AGREEMENT

THIS AMENDMENT, made and entered into this 11th day of September, 2009 ("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. Amendment #11 added PRF Ref. No. 64399 to the Appendix A of the AGREEMENT. The field of use for 64399 is hereby amended as follows.

Field of Use for 64399 is limited to any vitamin-dependent, including folate-dependent, uses including any process, machine, manufacture, or composition of matter.

2. The following Patents are added to Appendix A of the AGREEMENT "Folate Conjugated Immunogens" PRF Reference No. 64871

Purdue Ref. No:	Serial/Patent No.	Country	File/Issue Date	Comments
64871.P1.US	60/932,823	U.S.	6/1/2007	Filed
64871.P2.US	60/941,840	U.S.	6/4/2007	Filed
64871.00.US	12/130,121	U.S.	5/30/2008	Filed

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

By: /s/ Joseph B. Hornett

Joseph B. Hornett
Senior VP, Treasurer & COO

Endocyte Corporation

By: /s/ P. Ron Ellis

P. Ron Ellis
President & CEO

Date: 1 Oct 09

[*] = 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 #13 to EXCLUSIVE LICENSE AGREEMENT

This AMENDMENT, made and entered into effective April 14, 2014 amends the Amended and Restated License Agreement executed on October 21, 1998 and previously amended (hereinafter "Agreement") between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE) as follows:

1. The following is added to the preamble of the Agreement:

WHEREAS Section 7.1(a) of the Restated Master Research Agreement effective July 1, 2013 (the "MRA") specifies prospectively from October 21, 1998 that each certain "Eligible Disclosure will be amended to Schedule A of the 1998 License Agreement, and any patent prosecution arising under the Eligible Disclosure will be administered under the 1998 License Agreement", and

WHEREAS the definition of Patents hereunder shall be deemed to include any and all patent applications, divisionals, continuations, continuations-in-part, foreign counterparts and reissues derived from an Eligible Disclosure (as defined below) that is amended to this Agreement;

2. The following definition is added to the Agreement:

1.11 "Eligible Disclosure" shall have the meaning set forth in the MRA.

3. The following is added to Article 2 of the License Agreement.

2.7 Appendix A constructively includes all Eligible Disclosures that are subject to Article 7.1(a) of the MRA, whether or not those Eligible Disclosures are expressly identified in Appendix A of this Agreement. The Parties shall amend this Agreement no less than annually to update Appendix A to list all constructively included Eligible Disclosures.

4. The following Patents are expressly added to Appendix A of the Agreement:

Purdue Reference Number	Endocyte Matter Number	Application Number	Filing Date	Patent Number	Title	Status
64510.00.US	3220C-206923	12/162,661	7/30/2008	8168164	TARGETED CONJUGATES AND RADIATION	Issued
64812.00.US	3220C-209264	12/526,096	8/06/2009	8586595	POSITRON EMISSION TOMOGRAPHY IMAGING METHOD	Issued
63046.OA.US	3220C-216202	13/083,121	4/08/2011	8383354	DIAGNOSTIC METHOD FOR ATHEROSCLEROSIS	Issued
61023.1A.US	3220C-221773	13/529,823	6/21/2012	8388977	DIAGNOSIS OF MACROPHAGE MEDIATED DISEASE	Issued
96114.00.US	3220C-62306	09/529,682	4/17/2000	6291673	FOLIC ACID DERIVATIVES	Issued
99072.00.US	3220C-67883	09/822,379	3/30/2001	7033594	METHOD OF TREATMENT USING LIGAND-IMMUNOGEN CONJUGATES	Issued
61023.00.US	3220C-70808	10/138,275	5/02/2002	7740854	TREATMENT AND DIAGNOSIS OF MACROPHAGE MEDIATED DISEASE	Issued
63046.00.US	3220C-76260	11/022,088	12/23/2004	7977058	DIAGNOSTIC METHOD FOR ATHEROSCLEROSIS	Issued
99072.10.US	3220C-79124	11/274,973	11/16/2005	8105608	METHOD OF TREATMENT USING LIGAND-IMMUNOGEN CONJUGATES	Issued

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Purdue Reference Number	Endocyte Matter Number	Application Number	Filing Date	Patent Number	Title	Status
65768.04	3220C-223514	PCT/US2013/028277	2/28/2013		FOLATE RECEPTOR ALPHA BINDING LIGANDS	Nat'l 8/29/14
2013-LOW-66472-04	3220C-229212	PCT/US2014/024617	3/12/2014		ASTHMA IMAGING AND THERAPY	Nat'l 9/15/15
61118.00.US	3220C-71268	10/259,006	09/24/2002		METHOD OF TREATMENT USING LIGAND-IMMUNOGEN CONJUGATES	Pending
2013-LOW-66472-03	3220C-229211	14/206,904	3/12/2014		ASTHMA IMAGING	Pending
2014-LOW-66734-01	3220C-227586	61/906,331	11/19/2013		PATIENT SELECTION METHOD FOR INLAMMATION	Convert 11/19/14
64812.10	3220C-227013	14/058,567	10/21/2013		POSITRON EMISSION TOMOGRAPHY IMAGING METHOD	Pending
66214.01	3220C-224636	61/904,387	11/14/2013		COMPOUNDS FOR POSITRON EMISSION TOMOGRPAHY	Convert 11/14/14
64327.08	3220C-224488	13/793,654	3/11/2013		IMAGING AND THERAPEUTIC METHOD USING MONOCYTES	Pending
61023.30	3220C-224487	13/795,059	3/12/2013		TREATMENT AND DIAGNOSIS OF MACROPHAGE MEDIATED DISEASE	Pending
63046.13	3220C-223673	13/714,659	12/14/2012		DIAGNOSTIC METHOD FOR ATHEROSCLEROSIS CONJUGATES	Pending

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Purdue Reference Number	Endocyte Matter Number	Application Number	Filing Date	Patent Number	Title	Status
65514.03	3220C-223498	13/700,358	11/27/2012		DELIVERY OF AGENTS TO INFLAMED TISSUES USING FOLATE-TARGETED LIPOSOMES	Pending
61023.1B.US	3220C-221268	13/463,447	5/03/2012		TREATMENT AND DIAGNOSIS OF MACROPHAGE MEDIATED DISEASE	Pending
65296.00.US	3220C-217905	13/254,637	9/2/2011		METHOD FOR EARLY IMAGING OF ATHEROSCLEROSIS	Pending
64811.00.US	3220C-210313	12/601,960	9/28/2010		METHOD OF IMAGING LOCALIZED INFECTIONS	Pending
64327.10.US	3220C-208461	12/391,981	2/24/2009		IMAGING AND THERAPEUTIC METHOD USING MONOCYTES	Pending
66099-03		13/779,501	2/27/2013		METHODS FOR TREATING CANCER	Pending
64556-04		13/910,306	6/5/2013		METHOD OF DETECTING ENDOTHELIAL PROGENITOR CELLS	Pending
65529.00.US	20150-215800	13/063,889	3/14/2011		FOLATE RECEPTOR BINDING CONJUGATES OF ANTIFOLATES	Pending
65401.00.US	20150-216164	13/124,408	4/15/2011		FOLATE TARGETING OF NUCLEOTIDES	Pending
64261.00.US	3220C-203451	11/793,459	12/23/2005		POSITRON EMISSION TOMOGRAPHY IMAGING METHOD	Pending

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Purdue Reference Number	Endocyte Matter Number	Application Number	Filing Date	Patent Number	Title	Status
63055.00.WO	3220C-75156	PCT/US2004/014097	5/6/2004		CONJUGATES AND USES THEREOF	Expired

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

IN WITNESS WHEREOF, the parties have executed this AMENDMENT effective as of April 14, 2014.

Purdue Research Foundation	**Endocyte, Inc.**
By: /s/ Daniel J. Hasler	By: /s/ P. Ron Ellis

[*] = 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.

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.

EXCLUSIVE LICENSE AGREEMENT

THIS LICENSE AGREEMENT is made and entered into as of March 1, 2010 ("Effective Date"), by and between PURDUE RESEARCH FOUNDATION, a statutory body corporate formed and existing under the Indiana Foundation or Holding Companies Act of 1921 (hereinafter referred to as "PRF"), and Endocyte Corporation, an Indiana corporation, having a place of business at West Lafayette, Indiana (hereinafter referred to as "LICENSEE") collectively referred to hereinafter as the "Parties."

WITNESSETH:

WHEREAS, PRF is the assignee of the right, title, and interest in the patent-protected materials described in Appendix A attached hereto (hereinafter, together with all provisional applications, divisions, continuations, continuations-in-part, foreign counterparts, and reissues thereof, collectively "Patents"); and

WHEREAS, PRF wishes to have the inventions further developed and marketed at the earliest possible time in order that products resulting therefrom may be available for public use and benefit; and

WHEREAS, LICENSEE wishes to obtain certain rights to pursue the development and commercialization of the inventions; and

WHEREAS, PRF wishes to grant LICENSEE such rights in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and the premises herein contained, the Parties, intending to be legally bound, hereby agree as follows.

ARTICLE I — DEFINITIONS

As used herein, the following terms shall have the following meanings:

1.1 "Affiliate" shall mean a corporation, company, partnership, or other business entity which controls or is controlled by, or is under common control with, the designated party. In the case of a corporation or company, "control" means ownership either directly or indirectly of at least fifty percent (50%) of the shares of stock entitled to vote for the election of directors. The term "Affiliate" shall not include a third-party sublicensee of LICENSEE.

1.2 "FDA Approval" shall mean final approval from the United States Food and Drug Administration to distribute, market and sell any Licensed Product in the United States.

1.3 “Licensed Products” shall mean products falling within the scope of a Valid Claim or claims of the Patents or made by processes within the scope of a Valid Claim or claims of the Patents.

1.4 “Sales Value” shall mean (i) in the case of Licensed Products sold to third parties, the invoice price, F.O.B place of manufacture, exclusive of sales taxes, packing, shipping and insurance charges, and less returns, allowances, and discounts actually allowed; and (ii) in the case of any use of any Licensed Product by LICENSEE, any Affiliate or any third party for the purpose of any testing or studies necessary to obtain FDA Approval, Zero Dollars ($0.00).

1.5 “Valid Claim” shall mean any claim contained in any pending patent application or issued patent included within the Patents which has not been abandoned or declared invalid in a non-appealable order, as the case may be, and which would be infringed by the manufacture, use or sale of Licensed Products in the absence of the licenses granted hereunder.

1.6 “Territory” shall mean all countries, worldwide.

1.7 “Field of Use” shall mean:

(a) All Diagnostic and Imaging Applications; and

(b) All Therapeutic Applications.

1.8 “Therapeutic Applications” shall mean any use of a Licensed Product for the prevention or treatment of disease or injury.

1.9 “Diagnostic or Imaging Applications” shall mean any use of a Licensed Product for purposes of the investigation or determination of the nature or extent of any disease or injury.

1.10 “Know-How” shall mean any and all confidential unpatented and/or non-patentable data, materials, samples and other information owned and controlled by PRF which relate to the Patents or which is useful in the Manufacture, use or sale of Licensed Products.

ARTICLE II — GRANTS

2.1 PRF grants, subject to the terms of this Agreement, to LICENSEE a royalty-bearing, exclusive license under the Patents to make, to have made, use, offer for sale, sell and import and sell Licensed Products in the Field of Use in the Territory.

[*] = 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.

2.2 PRF grants, subject to the terms of this Agreement, to LICENSEE a non-exclusive license under the Know-How to make, to have made, use, offer for sale, sell and import and sell Licensed Products in the Field of Use in the Territory.

2.3 LICENSEE shall have the right to grant sublicenses under the license granted herein, and to extend the sublicenses to any third party or Affiliate of LICENSEE. LICENSEE shall notify PRF promptly of any grant of sublicense hereunder and the terms thereof.

2.4 PRF shall reserve, and the license granted shall be subject to the royalty-free right in PRF (or in Purdue University, if PRF's rights are assigned to the University) to make or have made for its use (but not to sell) the products or devices (or the rights to practice the process, if a process invention) under each patent, provided that such reserved rights shall be used by PRF (or the University as the case may be) solely for educational and research purposes and not for commercial purposes.

2.5 All rights reserved to the United States Government and others under Public Law 96-517 and 98-620 shall remain and shall in no way be affected by this Agreement.

2.6 PRF hereby warrants that it is the owner of the Patents and that such Patents are not subject to any lien, encumbrance, license or claim of ownership of any third party, except to the extent stated in Section 2.4, in derogation of the rights granted to LICENSEE in this Agreement.

ARTICLE III — DILIGENCE

3.1 (a) Diligence and Commercialization . Because the invention is not yet commercially viable as of the Effective Date, LICENSEE will use, or shall cause its Sublicensees to use, commercially reasonable efforts to diligently develop, manufacture, and sell Licensed Product(s). Furthermore, LICENSEE agrees to accomplish the Dilligence Milestone Tasks, (a) to (c) defined in the table below, on or before the stated Due Date for each Dilligence Milestone Task, (a) to (c) as defined below.

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Diligence Milestone Tasks	Due Date	Penalty Amount
(a) IND Application Approved	February 28th, 2011	[*]
(b) Initiation of Phase II clinical trials	February 28th, 2014	[*]
(c) Initiation of Phase III clinical trials	February 28th, 2014	[*]

LICENSEE shall inform PRF, on or before the Diligence Milestone Task Due Date, whether such Diligence Milestone Task has been accomplished. If any of Diligence Milestone Tasks (a) to (c) above are not completed on or before their respective Due Date, LICENSEE may cure each such failure to accomplish such Diligence Milestone Task by payment to PRF of the associated Penalty Amount, as defined in the table above, within thirty (30) days of the respective missed Dilligence Milestone Task Due Date. For clarity, the Penalty Amounts paid by LICENSEE to cure each failure to accomplish a Dilligence Milestone Task by the respective Due Date is separate from any earned royalty and/or minimum annual royalty payments owed to PRF.

3.2 Commencing twenty-four (24) months following FDA Approval, if, at any time, PRF is of the reasonable opinion that LICENSEE is not meeting the public demand, as outlined below, for Licensed Products, PRF shall notify LICENSEE to that effect and LICENSEE shall have six (6) months after such notice within which to meet such demand or to make other arrangements satisfactory to PRF. If at the end of six (6) months' period PRF is not satisfied that the public demand is or will be reasonably met by LICENSEE, PRF may, at its option, terminate the license or convert the exclusive license to a non-exclusive license upon sixty (60) days' notice to LICENSEE. Net sales, based upon Sales Value, of Five Hundred Thousand Dollars ($500,000) or more of the Licensed Products by LICENSEE and any sublicensees during the first twenty-four (24) following FDA Approval shall be regarded by PRF as meeting the public demand.

ARTICLE IV — PRF ROYALTY OBLIGATIONS AND MILESTONE PAYMENT

4.1 Subject to all the terms and conditions of this Agreement, for each calendar year this Agreement is in effect, LICENSEE shall pay to PRF an earned royalty, which shall be agreed to in writing by the parties and which shall not exceed the maximum percentages set forth below, calculated as a percentage of the Sales Value of Licensed Products made, used, sold or imported by LICENSEE, it sublicensees or its Affiliates in each country of the Territory in which there is (are) valid unexpired Patents. The royalties due hereunder shall be payable on a country-by-country basis in each country until the expiration of the last to expire

[*] = 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.

of the Patents covering the Licensed Products or the manufacture use or sale of the Licensed Products in such country. The royalty percentage for therapeutic applications shall be [*] of the Sales Value of Licensed Products used or sold for sales up to [*], and [*] of the Sales Value of Licensed Products used or sold for sales in excess of [*]. The royalty percentage for diagnostic applications shall be [*] of the Sales Value of Licensed Products used or sold for sales up to [*], and [*] of the Sales Value of Licensed Products used or sold for sales in excess of [*].

At any time during the term of this agreement prior to the initiation of a Phase III clinical trial of a Licensed Product, Endocyte will have the right to buy down the royalty rates for therapeutic applications or diagnostic applications from PRF at a rate of $[*] for each [*]% point decrease in royalty.

At any time after the commencement of Phase III clinical trial and before Data Base Lock of the Phase III clinical trial of a Licensed Product, Endocyte will have the right to buy down the royalty rates for therapeutic applications or diagnostic applications from PRF at a rate of $[*]for each[*]% point decrease in royalty.

Should Endocyte wish to buy down the royalty rate on either diagnostic or therapeutic applications following Data Base Lock of a Phase III clinical trial of a Licensed Product, Endocyte will meet with PRF to negotiate a mutually agreeable price for the buy-down in dollars per percent decrease of royalty rate.

Endocyte shall not under any circumstances have the right to buy down any royalty rate on therapeutic applications below [*]. Endocyte shall not have the right to buy down any royalty rate on diagnostic applications below [*].

4.2 LICENSEE shall pay to PRF an annual minimum royalty for each calendar year during the life of this Agreement beginning in calendar year 2010. The minimum royalty shall be payable on or before December 31 of each such calendar year. Prior to the first commercial sale of a Licensed Product the minimum annual royalty shall be fifteen thousand dollars ($15,000.00). Following the first commercial sale of a Licensed Product the minimum annual royalty shall be one hundred thousand dollars ($100,000.00).

If earned royalties for any calendar year do not equal or exceed the minimum royalty owed for that calendar year, LICENSEE shall pay PRF an amount equal to the difference between the calendar year earned royalty and the calendar year

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minimum royalty, said amount payable on or before January 31 of the next following calendar year.

4.3 Upon approval of a New Drug Application ("NDA") in the United States for a Licensed Product, LICENSEE will pay PRF a Milestone Payment ("Milestone Payment") of five-hundred thousand dollars ($500,000.00). Milestone Payment is due to PRF within one hundred eighty (180) days from the date of NDA approval. For clarity, Milestone Payment is separate from earned royalty and/or minimum annual royalty payments owed by LICENSEE to PRF.

ARTICLE V — RECORDS, REPORTS, PAYMENTS

5.1 LICENSEE shall keep accurate books and records showing all sales and use by LICENSEE and its sublicensee of Licensed Products, together with such other information as shall be necessary to enable earned royalties to be computed, and such books and records showing all sales and use by LICENSEE and its sublicensee of Licensed Products shall be kept for a period of three (3) years from the creation of such books and records. On or before the last day of March, June, September, and December of each year during the life of this Agreement, LICENSEE shall render to PRF a written report showing the calculation, in reasonable detail, of earned royalty for the preceding calendar quarter and shall accompany each such report with payment of any amount shown to be due. Such reports are to be made by LICENSEE whether or not royalties are owed. Such reports and any royalties due will be made to PRF within thirty (30) days of the end of each calendar quarter. Not more than once per calendar year during the term of this Agreement, LICENSEE's records and books shall be open during reasonable business hours for reasonable inspection by a certified public accountant appointed and paid for by PRF and reasonably acceptable to LICENSEE, to determine the accuracy of such royalty statements and payments but for not other purpose. PRF agrees that it and its designees shall keep confidential and shall not disclose or use for purposes other than those set forth in Section 5.1, any information, report or document provided to or made available to PRF or its designee.

ARTICLE VI — PATENT PROSECUTION

6.1 As between PRF and LICENSEE, PRF shall have responsibility for filing, prosecution and maintenance of all Patents in the Territory. LICENSEE shall have the right to review pending Patent applications and make recommendations to PRF concerning them. PRF will consider in good faith all reasonable suggestions of LICENSEE with respect thereto. PRF agrees to keep LICENSEE informed of the course of patent prosecution or other proceedings with respect to the Patents within the Territory. In the event PRF elects not to file, prosecute or

[*] = 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.

maintain any or all of the Patents in the Territory, PRF shall assign this responsibility to LICENSEE and cooperate to assure the filing, prosecution and maintenance of all Patents. The parties shall hold all information disclosed to it under this Section as confidential.

6.2 LICENSEE shall have the right but not the obligation to seek extensions of the terms of Patents in the Territory. At LICENSEE'S request, PRF shall either diligently seek to obtain such extensions or authorize LICENSEE to act as PRF's agent for the purpose of making any application for any extensions of the term of Patents and provide reasonable assistance therefor to LICENSEE, in either event, at LICENSEE's expense.

6.3 PRF shall promptly provide LICENSEE copies of all notices and correspondence to or from the U.S .Patent and Trademark Office and any foreign patent offices.

6.4 Payment of all fees and costs relating to the filing, prosecution, and maintenance of the Patents shall be the responsibility of LICENSEE, whether or not such fees and costs were incurred before or after the date of this Agreement.

6.5 PRF will provide all requested Know-How to LICENSEE at LICENSEE's expense.

ARTICLE VII — INFRINGEMENT/ENFORCEMENT

7.1 If during the term of this Agreement one ore more Patents licensed hereunder is or appears to be infringed by a third party within the Field of Use, then the party having knowledge thereof shall notify the other and the parties shall consult to consider what, if any, action should be taken. Under no circumstances shall PRF have the obligation to enforce Patents. LICENSEE shall have the first right (but not the obligation) to notify the infringer and/or initiate litigation or legal proceedings to abate the infringement. In the event LICENSEE commences litigation, LICENSEE shall notify PRF in writing that the litigation has been commenced. PRF may elect to join in any such legal proceedings against the alleged infringer. In the event LICENSEE has not initiated such legal proceedings within six (6) months after becoming aware of the infringement, then PRF may initiate such legal proceedings on its own behalf; and thereafter, LICENSEE may elect to join in those proceedings.

7.2 If PRF elects to join in legal proceedings commenced by LICENSEE or sublicensee, or if LICENSEE or sublicensee elected to join in legal proceedings commanded by PRF, all fees and costs incurred therein, and all damages shall be the responsibility of PRF. If one Party elects not to join in legal proceedings

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initiated by the other Party, then the initiating Party shall be responsible for all fees and costs incurred therein. All reasonable costs and expenses incurred as a result of said legal proceedings shall be recoverable by LICENSEE or sublicensee out of damages and awards recovered by LICENSEE, sublicensee and/or PRF. Any remaining amounts from damages and awards, once costs and expenses have been recovered, shall be divided between LICENSEE and PRF as follows: LICENSEE shall retain seventy-five percent (75%) and PRF shall retain twenty-five percent (25%) of the damages and awards recovered by LICENSEE. Each Party shall reasonably cooperate with the other Party, whether joining or not, in the conduct of the proceedings (such as by joining in name only); however, where PRF is joined in any such legal proceedings in name only as a necessary party and not at its election, then LICENSEE shall indemnify and hold harmless PRF from and against any and all actions, claims, and counterclaims brought against PRF, and LICENSEE agrees to pay all legal expenses, damages, and costs which may be finally assessed against PRF in such actions, claims, and counterclaims.

7.3 PRF makes no warranty that the subject matter of the invention licensed hereunder will not infringe any third party patent and PRF makes no covenant either to defend any infringement charge by a third party or to institute action against infringers of any Patents hereby licensed.

7.4 If LICENSEE, any sublicensee or customer is named as a defendant in a lawsuit (hereinafter "Defendant") charging Defendant with patent infringement as a result of its manufacture or sale of Licensed Products or its use of Licensed Products as disclosed in Patents or otherwise contending that Defendant does not have the right to manufacture, sell or so use Licensed Products, and LICENSEE so notifies PRF that such a lawsuit has been filed and provides PRF with copies of the Complaint and all papers associated with its filing. LICENSEE shall have the right to establish an Escrow Account for the mutual benefit of PRF and LICENSEE. For so long as LICENSEE bears any liability for costs or damages as a result of such lawsuit LICENSEE shall be entitled to deposit one-half (1/2) of the royalty payments to be paid to PRF under Paragraph 4.2 hereof into said Escrow Account. The other one-half (1/2) of the royalty payments required to be paid under Paragraph 4.2 hereof shall continue to be paid to PRF under the terms of this Agreement. If no royalty payments are yet due PRF during the period of the defense of any such alleged infringement, LICENSEE shall be entitled to accrue a credit for all sums expended to pay any costs and to pay any damages which may be awarded for infringement, and to offset these expenditures against any royalties to be paid to PRF.

The amounts deposited into the Escrow Account shall be used to pay LICENSEE's out-of-pocket monetary expenses actually incurred in defending the lawsuit, including attorneys' fees and any damages assessed against Defendant based specifically and only on Defendant's manufacture, use or sale of Licensed

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Products. The Escrow account shall be established as a Federally Insured deposit account earning interest not less than money market or equivalent rates. The agreement establishing the Escrow Account shall require the Escrow Agent to provide PRF and LICENSEE with accurate accounting reports, to reimburse LICENSEE for its said expenses as approved in writing by PRF, and to remit to PRF any balance left in said account immediately all costs have been paid and all damage awards have been satisfied. PRF shall approve all of out-of-pocket expenses for reimbursement by the Escrow Agent provided the expenses are accurately documented for PRF and shown to be reasonably necessary to the defense of the lawsuit or an actual payment of assessed damages. LICENSEE shall have no recourse against PRF concerning such a lawsuit other than the provisions of this Section 7.4.

ARTICLE VIII — PRODUCT LIABILITY

8.1 LICENSEE shall indemnify and save PRF and/or Purdue University harmless from any and all claims, demands, actions and causes of action against, PRF whether groundless or not, in connection with any and all injuries, losses, damages or liability of any kind whatsoever arising, directly or indirectly, out of use, distribution, or sale of Licensed Products by or through the LICENSEE or its Affiliates or sublicensees whether or not the claims, demands, actions or causes of action are alleged to have resulted in whole or in part from the negligent acts or omissions of PRF and/or Purdue University or from acts or omissions of such persons for which they are or any of them would otherwise be strictly liable. This indemnification obligation shall include, without limiting the generality of the foregoing, reasonable attorney fees and other costs or expenses incurred in connection with the defense of any and all such claims, demands, actions, or causes of action, and shall extend to the Trustees, officers, employees, and agents of PRF and/or Purdue University. This indemnification obligation does not extend to any occurrences or events whether at the PRF's or Purdue University's facilities or elsewhere except those occurring in connection with the use, distribution, or sale of Licensed Products by or through LICENSEE, or its Affiliates.

8.2 LICENSEE shall obtain and carry in full force and effect liability insurance which shall protect LICENSEE and PRF in regard to the events covered by Section 8.1 herein. LICENSEE shall name PRF as an additional name insured on said liability insurance. The policy of said liability insurance shall require written notice of termination to be provided to PRF at least thirty (30) days prior to expiration or other cancellation thereof.

8.3 PRF hereby warrants that as of the Effective Date, it is aware of no fact which places the validity of the Patents into question. Further, PRF hereby warrants that as of the Effective Date, it is unaware of any patent or claim by any third party

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upon the basis of which PRF has any reason to believe that the making, using or selling of any Licensed Product will infringe any valid United States patent.

8.4 EXCEPT TO THE EXTENT EXPRESSLY STATED TO THE CONTRARY IN THIS AGREEMENT, PRF SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, DESIGN, OPERATION OR FITNESS FOR USE OF LICENSED PRODUCTS OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO LICENSED PRODUCTS OR PATENTS. PRF EXPRESSLY MAKES NO WARRANTY OF VALIDITY OF PATENTS LICENSED HEREUNDER.

ARTICLE IX — EXPORT CONTROLS

9.1 It is understood that PRF is subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations hereunder are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE shall not export data or commodities to certain foreign countries without prior approval of such agency. PRF neither represents that a license shall not be required nor that, if required, it shall be issued.

ARTICLE X — NON-USE OF NAMES

10.1 LICENSEE shall not use the names of the Purdue Research Foundation nor Purdue University nor any of its employees, nor any adaptation thereof, in any advertising, promotional or sales literature without prior written consent obtained from PRF in each case, except that LICENSEE may state that it is licensed by PRF under one or more of the Patents and/or applications comprising the Patents.

10.2 LICENSEE agrees that it will not under any circumstances advertise or otherwise state or imply that PRF or Purdue University has tested or approved any product or process.

ARTICLE XI — ASSIGNMENT

11.1 This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their successors and permitted assigns. LICENSEE shall be permitted to

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assign its rights and obligations under this Agreement upon the written consent of PRF, which shall not be unreasonably withheld.

ARTICLE XII — TERMINATION

12.1 If LICENSEE shall be in default of any material obligation hereunder, and shall fail to remedy such default within ninety (90) days after notice thereof by PRF, this Agreement may be terminated at the option of PRF by notice to that effect.

12.2 LICENSEE shall have the right to terminate this Agreement at any time by giving notice in writing to PRF of its intent to do so at least sixty (60) days prior to a termination date designated in said notice. In the event this Agreement is terminated pursuant to this paragraph 12.2, LICENSEE must pay PRF, not later than sixty (60) days after said designated termination, any royalties due under Article IV prior to the designated termination date.

12.3 In the event of any termination under this Article, LICENSEE shall, at PRF's request, assign its rights under any sublicense agreement hereunder to PRF.

12.4 Unless otherwise terminated as provided herein, this Agreement shall remain in full force and effect until the expiration of the last-to-expire of the Valid Claim or Claims.

12.5 This License Agreement shall be voidable by PRF in the event LICENSEE files bankruptcy.

ARTICLE XIII — PAYMENTS, NOTICES, AND OTHER COMMUNICATIONS

13.1 Service of all notices or reports provided for herein shall be deemed duly given if sent by registered or certified mail, postage prepaid, to the addresses below. The date of mailing shall be the date of such notice.

LICENSEE: President
Endocyte Corporation
3000 Kent Avenue, Suite A1-100
West Lafayette, Indiana 47906

PRF: Office of Technology Commercialization
Purdue Research Foundation
1281 Win Hentschel Blvd.
West Lafayette, IN 47906

13.2 LICENSEE agrees to give PRF reasonable notice of all management meetings to be held by LICENSEE involving the Licensed Products and will permit PRF to attend all such meetings.

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ARTICLE XIV — GENERAL

14.1 PRF warrants and represents that as of the date of this Agreement it is the exclusive and sole owner of the Patents and that PRF has the right to make the conveyances set forth herein.

14.2 LICENSEE shall mark the Licensed Products in accordance with 35 U.S.C. 287 and shall require same of any Affiliates or sublicensees.

14.3 PRF shall not be liable to LICENSEE for failure by LICENSEE to obtain profit or income from Licensed Products.

14.3 This Agreement shall be construed according to the laws of the State of Indiana. It constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and may not be modified or extended except by written document signed by an executive officer of the Parties.

14.4 IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized officers as of the day and year first above written.

PURDUE RESEARCH FOUNDATION (PRF)	**ENDOCYTE CORPORATION (LICENSEE)**
/s/ Joseph B. Hornett	/s/ P. Ron Ellis
Signature	Signature
Joseph B Hornett	P. Ron Ellis
Typed Name	Typed Name
Sr. VP, Treasurer and COO	President and CEO
Title	Title

Date: March 1, 2010

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APPENDIX A

Pending Applications

Purdue Reference Number	Matter #	Application Number	Filing Date	Title	Status
64830		PCT/US2008/073375	8/15/2008	*PSMA Binding Ligand-Linker Conjugates and Methods for Using*	National Phase applications prior to Feb. 17, 2010 deadline; additional provisional application to be filed in US by Feb. 26, 2010
65261.00.WO		PCT/US2009/061067	10/16/2009	*PSMA Binding-Ligand Conjugates and Methods for Using*	PCT application filed in October 2009, Nationalization dates for most countries April 17, 2011

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AMENDMENT #1 to LICENSE AGREEMENT

This AMENDMENT, made and entered into effective April 14, 2014 amends the Amended and Restated License Agreement made effective on March 1, 2010 (hereinafter "Agreement") between Purdue Research Foundation (hereinafter known as PRF) and Endocyte, Inc. (hereinafter known as LICENSEE) as follows:

1. The following is added to the preamble of the Agreement:

WHEREAS Section 7.1(b) of the Restated Master Research Agreement effective July 1, 2013 (the "MRA") specifies prospectively from March 1, 2010 that each certain "Eligible Disclosure will be amended to the 2010 License Agreement, and any patent prosecution arising under the Eligible Disclosure will be administered under the 2010 License Agreement", and

WHEREAS the definition of Patents hereunder shall be deemed to include any and all patent applications, divisionals, continuations, continuations-in-part, foreign counterparts and reissues derived from an Eligible Disclosure (as defined below) that is amended to this Agreement;

2. The following definition is added to the Agreement:

1.11 "Eligible Disclosure" shall have the meaning set forth in the MRA.

3. The following is added to Article II of the Agreement.

2.7 Appendix A of this Agreement constructively includes all Eligible Disclosures that are subject to Article 7.1(b) of the MRA, whether or not those Eligible Disclosures are expressly identified in Appendix A of this Agreement. The Parties shall amend this Agreement no less than annually to update Appendix A to list all constructively included Eligible Disclosures.

4. The first paragraph of Section 4.1 is replaced in its entirety as follows:

4.1 Subject to all the terms and conditions of this Agreement, for each calendar year this Agreement is in effect, LICENSEE shall pay to PRF an earned royalty calculated as a percentage of the Sales Value of Licensed Products made, used, sold or imported by LICENSEE, its sublicensees or its Affiliates in each country of the Territory in which there is (are) valid unexpired Patents. The royalties due hereunder shall be payable on a country-by-country basis in each country until the expiration of the last to expire of the Patents covering the Licensed Products or the manufacture use or sale of the Licensed Products in such country. The royalty percentage for therapeutic applications shall be [*] percent ([*]%) of the Sales Value of Licensed Products used or sold for sales up to [*] dollars, and [*] percent ([*]%) of the Sales Value of Licensed Products used or sold for sales in excess of [*] dollars. The royalty percentage for diagnostic applications shall be [*] percent ([*]%) of the Sales Value of Licensed Products used or sold for sales up to [*] dollars, and [*] percent ([*]%) of the Sales Value of Licensed Products used or sold for sales in excess of [*] dollars.

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5. The following Patents are expressly added to Appendix A of the Agreement:

Purdue Reference Number	Endocyte Matter Number	Application Number	Filing Date	Title	Status
64830-19	3220C-222276	13/580,436	8/22/2012	PSMA BINDING LIGAND-LINKER CONJUGATES AND METHODS FOR USING	Pending
2014-LOW-66774-01	3220C-227794	61/909,822	11/27/2013	COMPOUNDS FOR POSITRON EMISSION TOMOGRAPHY	Convert 11/27/2014

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

IN WITNESS WHEREOF, the parties have executed this AMENDMENT effective as of April 14, 2014.

Purdue Research Foundation Endocyte, Inc.

By: /s/ Daniel J. Hasler By: /s/ P. Ron Ellis

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

Date: August 9, 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: August 9, 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 June 30, 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.

August 9, 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 June 30, 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.

August 9, 2017

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