



June 29, 2017

Hercules Capital Announces Additional Portfolio Company Liquidity Events and Congratulates Its Portfolio Companies on Their Achievements

Five (5) Hercules Portfolio Companies Currently in IPO Registration

PALO ALTO, Calif.--(BUSINESS WIRE)-- [Hercules Capital, Inc.](#) (NYSE: HTGC) ("Hercules" or the "Company"), the leading specialty finance company to innovative, venture growth, pre-IPO and M&A stage companies backed by leading venture capital firms, is pleased to announce the latest liquidity events and achievements for the following portfolio companies:

M&A Activities

IronPlanet, Inc., a leading online marketplace for used heavy equipment and other durable assets, was acquired by Ritchie Bros. Auctioneers Incorporated (NYSE & TSX: RBA), the world's largest industrial auctioneer and a leading equipment distributor, for approximately US \$758.5 million. The transaction closed on May 31, 2017. Hercules initially committed \$37.5 million in venture debt financing to IronPlanet in October 2014. The Company recognized a net realized gain of \$5.1 million from the transaction, generating a fully realized internal rate of return ("IRR") of approximately 37.9% from its loan repayments and equity/warrant gains.

Lithium Technologies, Inc., a market leader in cloud-based social media engagement and online community solutions, announced that it had entered into a definitive merger agreement to be acquired by Vista Equity Partners, a leading private equity firm focused on investments in software, data and technology-enabled businesses. Lithium's board of directors unanimously approved the transaction on May 30, 2017. Terms of the transaction were not disclosed. Hercules initially committed \$25.0 million in venture debt financing to Lithium in November 2016.

SOASTA, Inc., a Software-as-a-Service ("SaaS") company that provides cloud-based tools for testing the performance and functionality of web and mobile applications, was acquired by Akamai Technologies, Inc. (NASDAQ: AKAM), a leading content delivery services provider for media and software delivery and cloud security solutions, in an all-cash transaction. The acquisition closed on April 7, 2017. Hercules initially committed \$18.5 million in venture debt financing in August 2014. The Company realized an IRR of approximately 9.9% from its loan repayments and equity/warrant gains.

Merrimack Pharmaceuticals, Inc (NASDAQ: MACK) completed its asset sale to Ipsen S.A. (Euronext: IPN; ADR:IPSEY), a global specialty-driven pharmaceutical group committed to discovering new solutions for targeted debilitating diseases on April 3, 2017. Merrimack used part of the proceeds to extinguish the \$175.0 million in outstanding Senior Secured Notes due in 2022, which included Hercules' debt obligation. In addition, Merrimack announced that its Board of Directors had authorized and declared a special cash dividend of \$140.0 million on the company's common stock. This special dividend was paid from the proceeds of the company's asset sale to Ipsen S.A. The special dividend was paid on May 26, 2017 to stockholders of record as of the close of business on May 17, 2017.

Mast Therapeutics, Inc. announced the closing on April 27, 2017 of its previously announced merger with Savara Inc. (NASDAQ: SVRA), a clinical-stage specialty pharmaceutical company focused on the development and commercialization of novel therapies for the treatment of serious or life-threatening rare respiratory diseases. As part of the merger, the stockholders of Savara have become the majority owners of Mast, and the operations of Mast and Savara have been combined. Hercules initially committed \$15.0 million in venture debt financing to Mast in August 2015, and had an outstanding principal balance of \$3.0 million and held warrants for 2.3 million shares of common stock as of March 31, 2017. The post-merger company, named Savara Inc., is based in Austin, TX and features three inhaled product candidates, each in advanced stages of clinical development. The company will be led solely by Savara's current management team.

JumpStart Games, Inc. entered into a definitive merger agreement in June 2017 to be acquired by an undisclosed company, which if completed could result in significant recovery of previously impaired loan. Terms of the transaction are not being disclosed. However, M&A negotiations are subject to many factors and hard to predict as to if or when they will be completed, if at all. Hercules initially committed \$13.0 million in venture debt financing to JumpStart in March 2014.

Jaguar Animal Health, Inc. (NASDAQ: JAGX) entered a binding merger agreement on May 26, 2017 with Napo Pharmaceuticals, a company that focuses on the development and commercialization of proprietary pharmaceuticals for the global marketplace in collaboration with local partners. In addition, Jaguar Animal Health and Napo Pharmaceuticals announced the filing of two Orphan Drug Designation Applications with U.S. Food & Drug Administration (FDA) for Mytesi for

serious unmet medical needs.

The proposed merger of Jaguar and Napo remains subject to customary closing conditions. Upon the consummation of the merger, Jaguar's name will be changed to Jaguar Health, Inc., and Napo will operate as a wholly-owned subsidiary of Jaguar, focused on human health. As previously stated, Jaguar and Napo expect the merger to close by the end of July 2017.

IPO Activities

As of June 30, 2017, Hercules held warrant and equity positions in five (5) portfolio companies that had filed Registration Statements in contemplation of a potential IPO, including:

- l Five (5) companies filed confidentially under the JOBS Act

There can be no assurances that companies that have yet to complete their IPOs will do so.

About Hercules Capital, Inc.

Hercules Capital, Inc. (NYSE: HTGC) ("Hercules") is the leading and largest specialty finance company focused on providing senior secured venture growth loans to high-growth, innovative venture capital-backed companies in a broad variety of technology, life sciences and sustainable and renewable technology industries. Since inception (December 2003), Hercules has committed more than \$6.7 billion to over 375 companies and is the lender of choice for entrepreneurs and venture capital firms seeking growth capital financing. Companies interested in learning more about financing opportunities should contact info@htgc.com, or call 650.289.3060.

Hercules' common stock trades on the New York Stock Exchange under the ticker symbol "HTGC."

In addition, Hercules has one outstanding bond issuance of 6.25% Unsecured Notes due July 2024 (NYSE: HTGX).

Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You should understand that under Section 27A(b)(2)(B) of the Securities Act of 1933, as amended, and Section 21E(b)(2)(B) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 do not apply to forward-looking statements made in periodic reports we file under the Exchange Act.

The information disclosed in this press release is made as of the date hereof and reflects Hercules most current assessment of its historical financial performance. Actual financial results filed with the SEC may differ from those contained herein due to timing delays between the date of this release and confirmation of final audit results. These forward-looking statements are not guarantees of future performance and are subject to uncertainties and other factors that could cause actual results to differ materially from those expressed in the forward-looking statements including, without limitation, the risks, uncertainties, including the uncertainties surrounding the current market volatility, and other factors the Company identifies from time to time in its filings with the SEC. Although Hercules believes that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions also could be incorrect. You should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this release are made as of the date hereof, and Hercules assumes no obligation to update the forward-looking statements for subsequent events.

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