

2023 IN REVIEW

The Hercules Platform's activity in 2023 was characterized by record gross fundings to new and existing portfolio companies, year-over-year portfolio growth, strong liquidity, and a continued commitment to providing debt financing solutions to companies in the technology and life sciences verticals. With approximately \$2.2 billion in new committed debt and equity positions and approximately \$1.6 billion in new gross fundings, we built on the foundation from 2022. We did so by leveraging our capabilities in both life sciences and technology lending with dedicated teams in each vertical. Our teams carefully navigated market opportunities created by the banking crisis early in the year as well as the continued macro concerns that persisted throughout 2023.

In addition to entering into lending relationships with new portfolio companies, we focused on deepening relationships with existing portfolio companies, supporting them as they achieved milestones and grew their businesses.

Among the highlights of the year was the establishment of a new institutional private credit lending program through Hercules Adviser, a wholly-owned subsidiary of Hercules Capital, to support companies impacted by market events that started in the first quarter of 2023. In addition, we were pleased to expand our Life Sciences practice with several new seasoned investment professionals and to open our newest office location in Denver, CO.

We attribute our success to the outstanding efforts of our highly collaborative team and their ability to cultivate and maintain lasting relationships with our portfolio companies and partners. With gratitude, we look forward to celebrating 20 years of serving a vibrant venture and private equity ecosystem as we enter 2024 with over \$4 billion in AUM and over \$1 billion of liquidity.

*The Hercules platform refers to Hercules Capital, Inc. ("Hercules Capital") and external funds managed by Hercules Adviser LLC ("Hercules Adviser").

By the Numbers

~\$2.2 Billion

New Committed Debt & Equity Capital

32

New Portfolio Companies

125

Total Active Loan Portfolio Companies**

14

IPO and M&A Events***

\$6.0 Billion

Total New Capital Raised by Portfolio Companies

~\$4.2 Billion

Total Assets Under Management**

Technology Portfolio Activity in 2023*

\$1.1 Billion

New Committed Debt & Equity Capital

22

New Portfolio Companies

6

IPO and M&A Events***

\$1.0+ Billion

Total New Capital Raised by Portfolio Companies

Featured Deals



In Q1 2023, Tipalti, the leading global payables automation platform, secured \$100 million in debt financing from Hercules*.



In Q2 2023, Dragos, the global leader in cybersecurity for operational technology (OT) environments, secured a \$60 million debt commitment from Hercules*.



Modern Health, a leading enterprise workplace mental health platform, secured a \$40 million debt commitment from Hercules* in Q1 2023.



Checkr, a leading HR technology company powering the future of work, secured a \$105 million debt commitment from Hercules* in Q3 2023.

**As of 12/31/2023 based on investments at cost.

***Includes reverse mergers into publicly traded entities.

All company names, logos, and brands are property of their respective owners.

Life Sciences Portfolio Activity in 2023*

\$1.1 Billion

New Committed Debt & Equity Capital

10

New Portfolio Companies

8

IPO and M&A Events***

\$4.9+ Billion

Total New Capital Raised by Portfolio Companies

Featured Deals



In Q2 2023, Main Street Health, the nation's largest value-based healthcare organization exclusively serving rural America, secured a \$125 million debt commitment from Hercules*.



In Q3 2023, Hercules* expanded its debt facility to \$90 million with Viridian Therapeutics, a biotechnology company focused on discovering and developing potential best-in-class medicines for serious and rare diseases.



Strive Health, the national leader in value-based kidney care, secured a \$100 million debt facility from Hercules* in Q3 2023.



In Q4 2023, Hercules* expanded its debt facility with Phathom Pharmaceuticals for up to \$300 million to provide financial flexibility for the company's ongoing launch of VOQUEZNA® and future clinical development programs.

*Includes Hercules Capital and external funds managed by Hercules Adviser.

***Includes reverse mergers into publicly traded entities.

Note: Commitments represent total amount of committed capital on the facility, which in select cases includes syndicated amount with partners.

Ventured Growth Podcast

Hercules Capital's Ventured Growth podcast features conversations with today's top CEOs, CFOs, and investors in the venture and private equity ecosystem. Learn about their strategies for financing rapid growth and scaling their businesses, as well as their unique interests and life stories that have shaped their paths to success. A few of the episodes from 2023 include:



Mergers, Acquisitions, and IPOs: Lessons From 40 Years in Silicon Valley with Laureen DeBuono

In this episode, Laureen DeBuono, Managing Partner at FLG Partners, discusses company restructuring, five qualities CFOs need to be successful, advice for companies that can't access IPOs, and more.



Robots as a Service: Automating Warehouses with Locus Robotics featuring Dustin Pederson

In this episode, Dustin Pederson, CFO of Locus Robotics, discusses the principles of scaling a business, fundraising and managing operations in today's economy, the trade-offs between raising debt versus raising equity, and more.



From Physician to Founder: Scaling Iora Health to a \$2 Billion Exit featuring Rushika Fernandopulle

In this episode, Rushika Fernandopulle, co-founder and former CEO of Iora Health, discusses how he created a new delivery model for medicine, Iora Health's business model evolution, going from bootstrapping to six rounds of funding, and more.

Community Outreach

Hercules deeply cares for the community and gives back where and when we can. We believe that working together towards a common goal brings the best results. Charities that we are supporting as an organization include:

