



## **Merrimack Secures \$25 Million Debt Facility with Hercules Capital**

July 2, 2018

- **Non-dilutive financing strengthens cash position** -
- **Multiple clinical read-outs expected later this year** -

CAMBRIDGE, Mass., July 2, 2018 /PRNewswire/ -- Merrimack Pharmaceuticals, Inc. (Nasdaq: MACK), a clinical-stage oncology company focused on biomarker-defined cancers, today announced the closing of a \$25 million term loan with Hercules Capital (NYSE: HTGC), \$15 million of which was funded at closing today. Merrimack's current cash and cash equivalents, including the \$15 million of loan proceeds received, and certain potential net milestone payments anticipated from Shire are projected to fund the company's planned operations into the first quarter of 2020.

"This non-dilutive financing strengthens Merrimack's financial position, allowing us to remain focused on advancing the discovery, clinical and business development efforts for our nine wholly-owned programs in development, including our two clinical readouts expected later this year from MM-121 and MM-310," said Richard Peters, M.D., Ph.D., President and Chief Executive Officer of Merrimack. "We appreciate the support of Hercules, a well-respected investor known for partnering with attractive companies and promising product candidates in the healthcare sector."

Under the terms of this loan, in addition to the \$15 million received at loan closing, Merrimack is eligible to receive up to an aggregate of \$10 million in two equal tranches upon satisfaction of certain conditions, including, for the first tranche, the availability of top-line clinical data supporting the continued development of MM-121, the company's monoclonal antibody targeting the HER3 (ErbB3) receptor.

"Given Merrimack's anticipated clinical readouts and potential milestone payments from Shire, Hercules is pleased to enter into this financing partnership with Merrimack as they continue their work to develop novel precision therapies for patients with biomarker-defined cancers," said Scott Bluestein, Chief Investment Officer of Hercules. "This debt facility demonstrates our ability to finance life sciences companies through multiple stages of development and upcoming value inflection points."

As a reminder, Merrimack is entitled to receive up to an aggregate of \$33.0 million in net milestone payments from Shire as a result of Merrimack's asset sale to Ipsen in 2017, if certain milestones are met. A portion of these payments is included in the company's cash runway guidance.

In addition, pursuant to the asset sale to Ipsen, Merrimack is eligible to receive an aggregate of \$450 million in milestone payments from Ipsen, which Merrimack has previously said it expects to pass through to stockholders, net of any taxes owed and subject to there being sufficient surplus at that time.

### **About Merrimack**

Merrimack is a biopharmaceutical company based in Cambridge, Massachusetts that is outthinking cancer to ensure that patients and their families live fulfilling lives. Its mission is to transform cancer care through the smart design and development of targeted solutions based on a deep understanding of cancer pathways and biological markers. All of Merrimack's development programs, including three clinical studies and six candidates in preclinical development, fit into its strategy of 1) understanding the biological problems it is trying to solve, 2) designing specific solutions and 3) developing those solutions for biomarker-selected patients. This three-pronged strategy seeks to optimize patient outcomes. For more information, please visit Merrimack's website at [www.merrimack.com](http://www.merrimack.com).

### **Forward Looking Statements**

To the extent that statements contained in this press release are not descriptions of historical facts, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements include any statements about Merrimack's strategy, future operations, future financial position, future revenues and future expectations and plans and prospects for Merrimack, and any other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue" and similar expressions. In this press release, Merrimack's forward-looking statements include, among others, statements about the timing of availability of clinical trial data, the anticipated achievement of milestones and the availability of funding sufficient to fund Merrimack's operations. Such forward-looking statements involve substantial risks and uncertainties that could cause Merrimack's clinical development programs, future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the uncertainties inherent in the availability of data from ongoing clinical trials, expectations for regulatory approvals, development progress of Merrimack's companion diagnostics, availability of funding sufficient for Merrimack's foreseeable and unforeseeable operating expenses and capital expenditure requirements, and other matters that could affect the availability or commercial potential of Merrimack's product candidates or companion diagnostics. Merrimack undertakes no obligation to update or revise any forward-looking statements. Forward-looking statements should not be relied upon as representing Merrimack's views as of any date subsequent to the date hereof. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to Merrimack's business in general, see the "Risk Factors" section of Merrimack's Quarterly Report on Form 10-Q filed with the SEC on May 8, 2018 and the other reports Merrimack files with the SEC.

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