

April 29, 2021

FIRST QUARTER 2021 INVESTOR PRESENTATION

Financing the Growth of Tomorrow's Companies Today™



HTGC
LISTED
NYSE

IMPORTANT NOTICE: FORWARD LOOKING STATEMENTS

This presentation 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 presentation is made as of the date hereof and reflects Hercules’ current assessment of its financial performance for the period reported. Actual financial results filed with the Securities and Exchange Commission in the future may differ from those contained herein in the event of additional adjustments recorded prior to the filing of its financial statements.

This presentation may contain “forward-looking statements.” These forward-looking statements include comments with respect to our financial objectives, loan portfolio growth, strategies and results of our operations.

However, by their nature, these forward-looking statements involve numerous assumptions, uncertainties and risks, both general and specific. The risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on these forward-looking statements as a number of factors could cause future Company results to differ materially from these statements.

Forward-looking statements may be influenced in particular by factors such as fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic, political and regulatory conditions. We caution that the foregoing list is not exhaustive.

When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events. Historical results discussed in this presentation are not indicative of future results. This presentation should be read in conjunction with our recent SEC filings.

HERCULES CAPITAL

Structure

Internally Managed Business Development Company (BDC)

IPO Date

June 9, 2005

Investment Options

HTGC (NYSE) – Common Stock

Institutional Notes PAR \$1000.00

- 4.625% Notes due 2022
- 4.31% Notes due 2025
- 4.77% Notes due 2024
- 4.50% Notes due 2026
- 4.28% Notes due 2025
- 4.55% Notes due 2026

Retail Notes (Baby Bonds) PAR \$25.00

- HCXY (NYSE) 6.25% Notes due 2033
- HCXZ (NYSE) 5.25% Notes due 2025

Convertible Notes

- 4.375% Notes due 2022

Securitization Notes

- 4.605% Asset-backed Notes due 2027
- 4.703% Asset-backed Notes due 2028

Annualized Dividend Yield⁽¹⁾

8.0% as of March 31, 2021

Distributions Declared

\$0.32 per share for Q1 2021
\$0.07 per share supplemental for Q1 2021

Price to NAV

1.53x - April 27, 2021
~1.1x to ~1.5x historical range

(1) Annualized based on the \$0.32 distribution declared for Q1 2021 and a closing stock price of \$16.03 as of March 31, 2021



FIRST QUARTER 2021 INVESTOR PRESENTATION

- Key Performance Highlights
- Company & Strategic Overview
- Financial Highlights
- Portfolio Highlights
- Venture Capital Market Opportunity
- Analyst Coverage
- Supplemental Information

KEY PERFORMANCE HIGHLIGHTS



Q1 2021 HIGHLIGHTS

Robust Earnings

- Net Investment Income (“NII”) of \$34.6M
- Total Investment Income of \$68.8M
- NII per share of \$0.30

Strong Shareholder Returns

- 1YR/3Yr/5YR Total Shareholder Returns⁽¹⁾: 126.6%/63.9%/85.8%
- ROAE^(1,2): 11.6%
- ROAA^(1,2): 5.6%
- Net Interest Margin (“NIM”): 9.3%

High-Yield Portfolio of Earning Assets

- Total Debt Investments (at cost): \$2.18B
- Total Investments (at cost): \$2.40B
- Effective Yield: 13.2%

Industry-Leading Originations Platform

- \$11.6B in total debt commitments since inception
- Cumulative Total Net Realized (Loss) since inception of (\$71.9M) or annualized loss rate of 3.8 basis points
- Net debt & equity commitments: \$467.2M
- Net debt & equity fundings: \$307.1M

Strong Liquidity and Balance Sheet

- \$550.0M available liquidity (subject to existing terms and covenants)
- GAAP and regulatory leverage: 94.6% and 89.2%⁽³⁾

Strong Capital Raising Position

- Price-to-NAV: 1.53x⁽⁴⁾
- “ATM” Equity Distribution Agreement
- Investment Grade Credit Ratings: Moody’s: Baa3 | DBRS: BBB | KBRA: BBB+

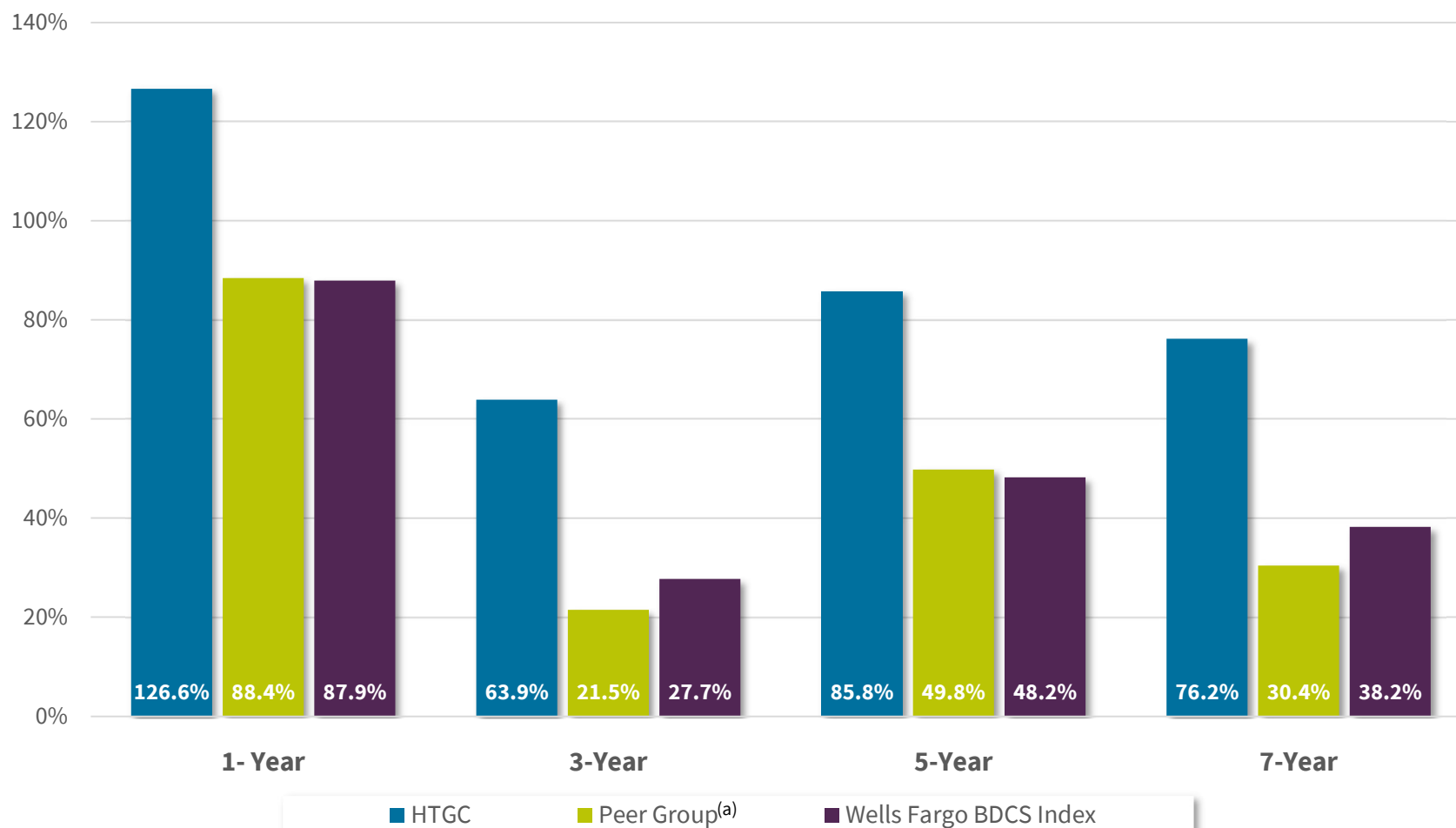
(1) Source: S&P CapIQ as of 3/31/21

(2) Based on NII, excludes realized and unrealized gains/losses

(3) Regulatory leverage is defined as GAAP leverage excluding SBA debentures

(4) As of April 27, 2021

TOTAL SHAREHOLDER RETURN (TSR)^(b) vs. BDCs & WELLS FARGO INDEX

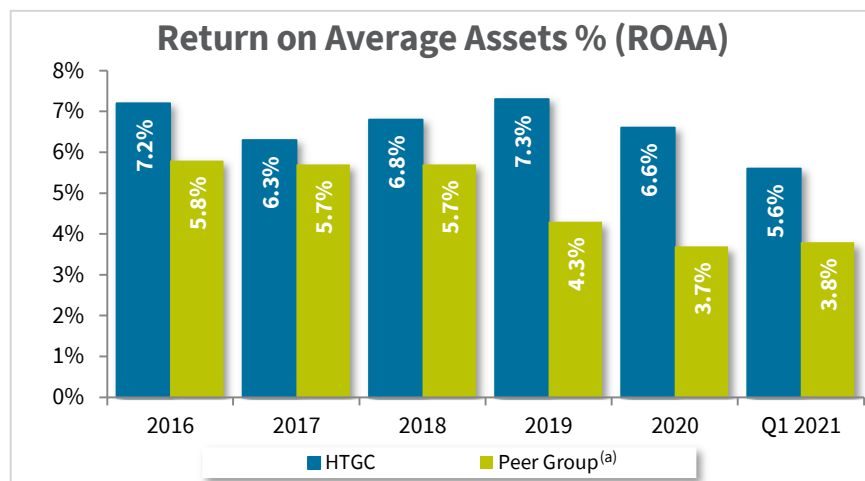


(a) Peer Group: AINV, ARCC, BKCC, OCSL, FSK, GBDC, GSBD, MAIN, NMFC, OXSQ, PNNT, PSEC, SLRC, BBDC, TCPC, FCRD, TSLX

(b) TSR is defined as stock appreciation plus dividend distributions

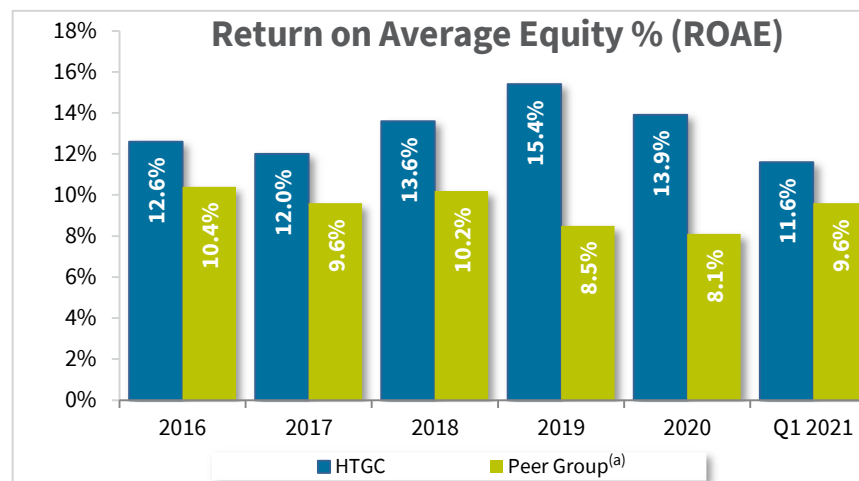
Source: S&P Capital IQ as of March 31, 2021

DELIVERING STRONG SUSTAINABLE SHAREHOLDER RETURNS

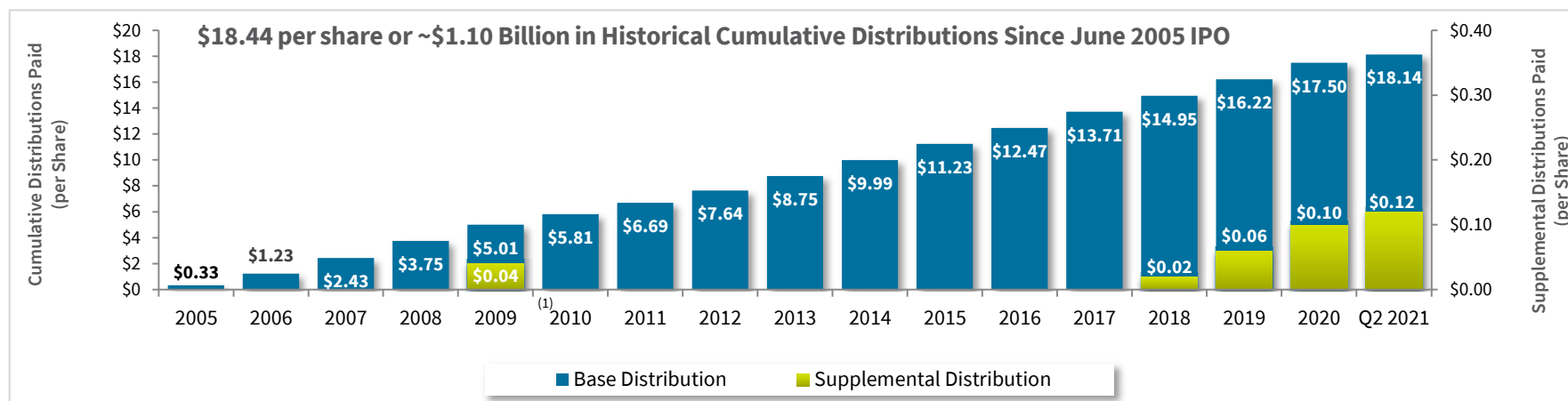


Source: S&P Capital IQ as of 3/31/21 for HTGC and Peer Group. Return on Average Assets excluding cash. NII divided by average of beginning of period total assets excluding cash and end of period total assets excluding cash.

(a) Peer Group: AINV, ARCC, BKCC, OCSL, FSK, GBDC, GSBD, MAIN, NMFC, OXSQ, PNNT, PSEC, SLRC, BBDC, TCPC, FCRD, TSLX



Source: S&P Capital IQ as of 3/31/21 for HTGC and Peer Group. Return on Average Equity based on NII. NII divided by average of beginning of period equity and end of period equity.

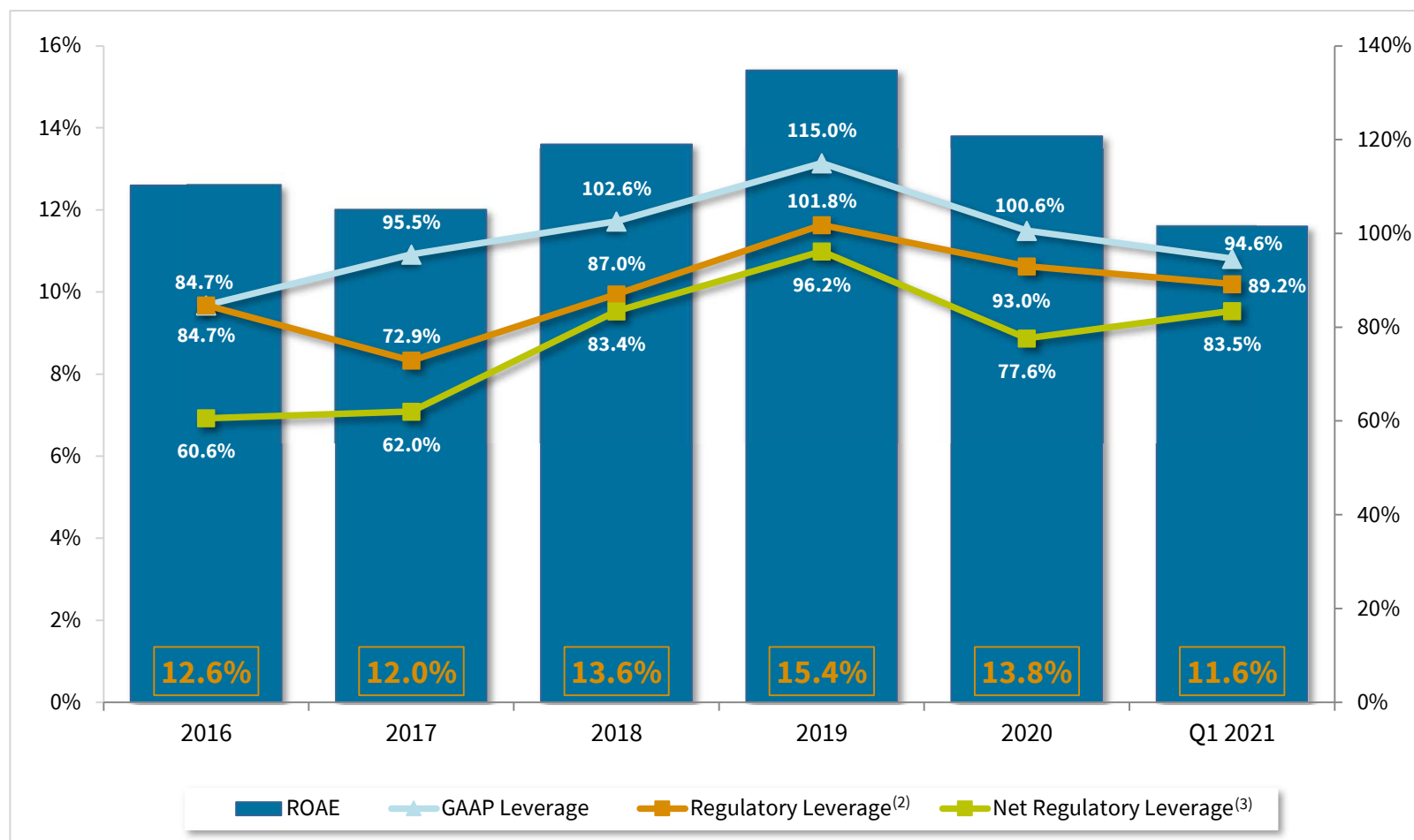


(1) Q1 09 distribution was paid in 10% cash and 90% stock

Note: The Yield Calculation may include a potential tax return of capital. Any portion of a distribution that is ultimately deemed to be a tax return of capital should not be considered. The determination of the tax attributes of the Company's distributions is made annually as of the end of the Company's fiscal year based upon its taxable income for the full year and distributions paid for the full year. Therefore, a determination made on a quarterly basis may not be representative of the actual tax attributes of its distributions for a full year. The tax attributes of its distributions for the years ended December 31, 2008 through March 31, 2021 were paid 100% from earnings and profits; however, there can be no certainty to shareholders that this determination is representative of the tax attributes of the Company's 2021 full year distributions to stockholders.

AVAILABLE LEVERAGE FOR POTENTIAL EARNINGS GROWTH

Leverage to Return on Average Equity % (ROAE)⁽¹⁾



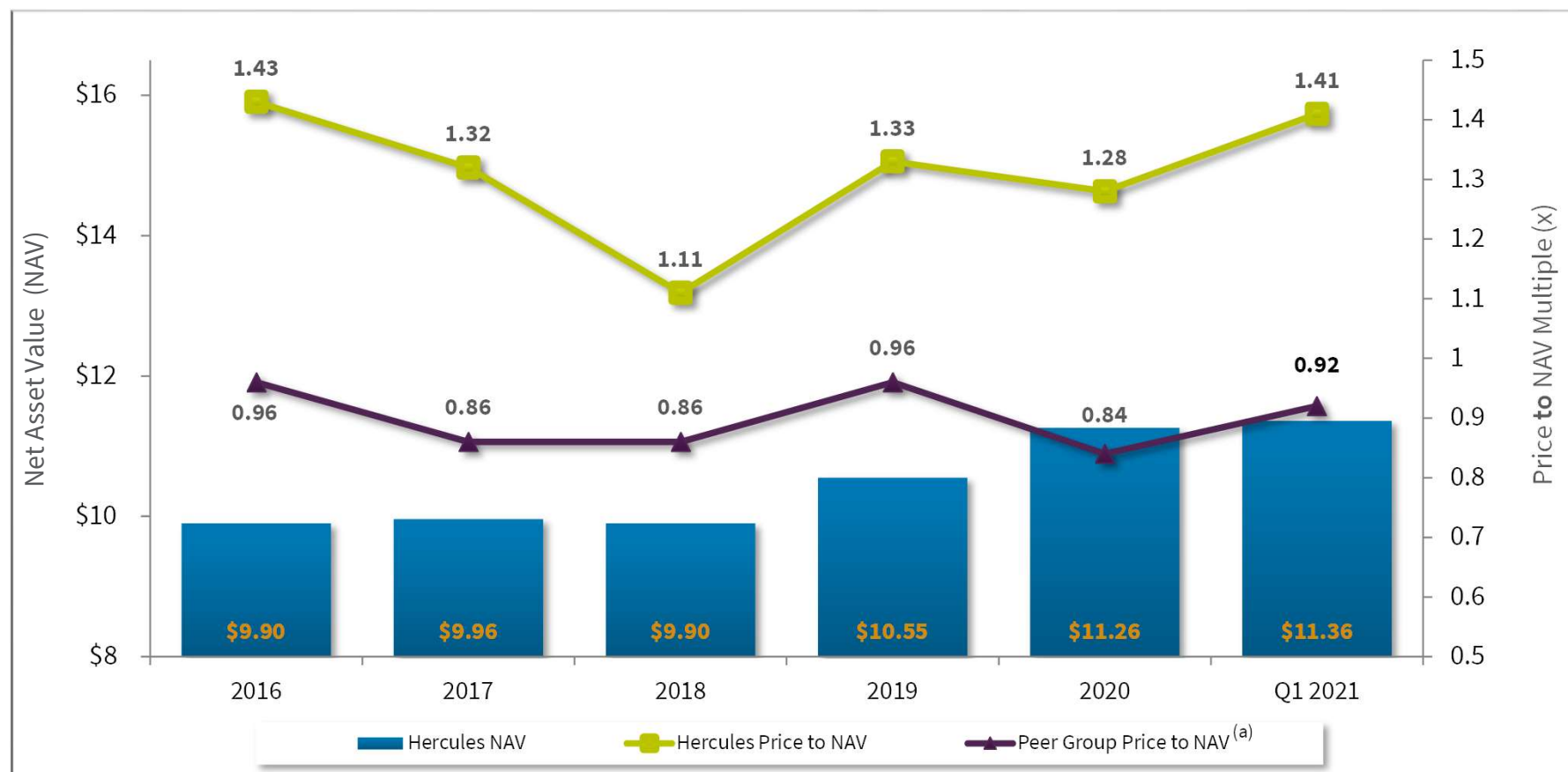
(1) Source: S&P Capital IQ as of 3/31/21. Return on Average Equity based on NII. NII divided by average of beginning of period equity and end of period equity.

(2) Excludes SBA

(3) Excludes SBA and cash

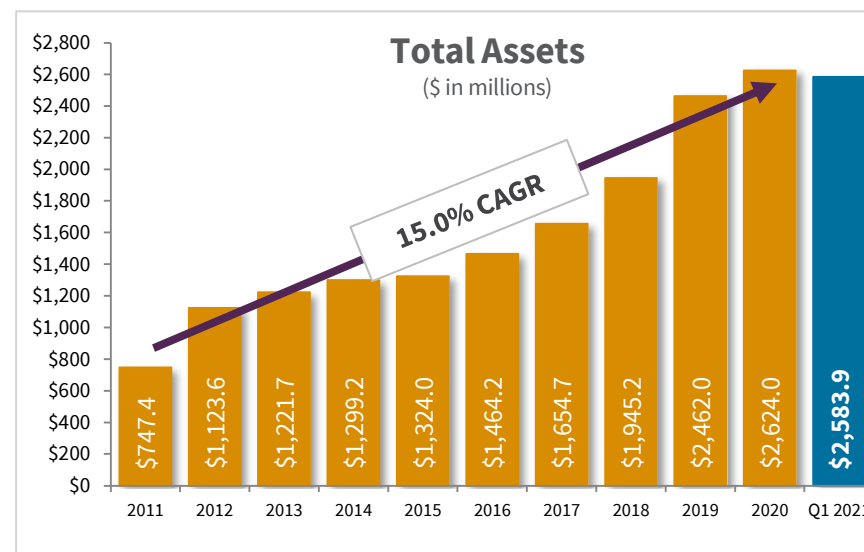
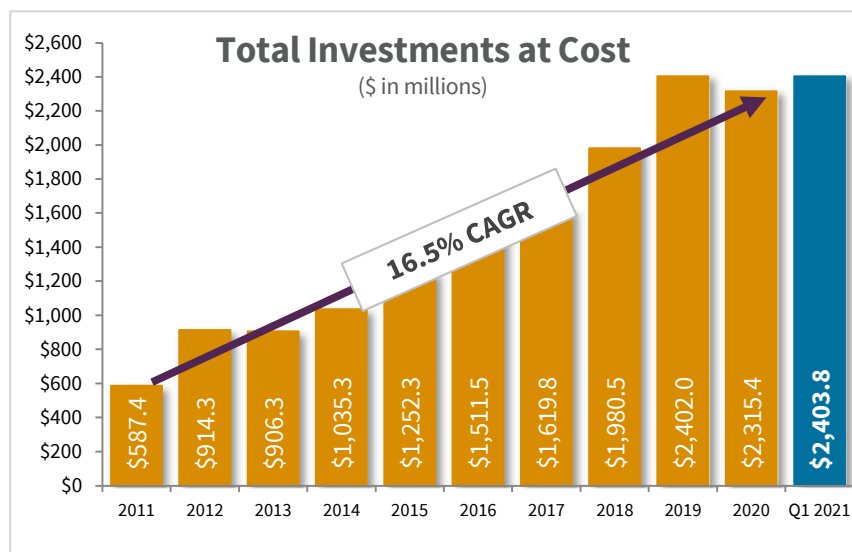
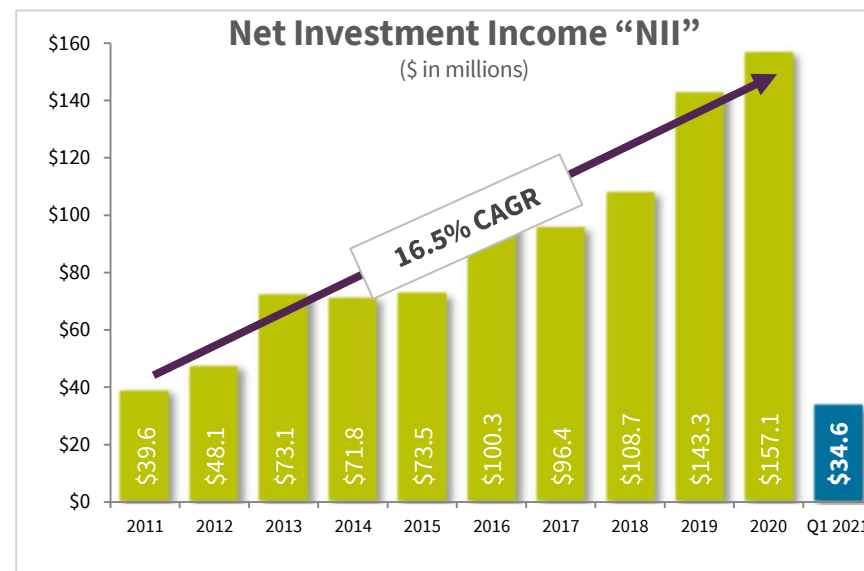
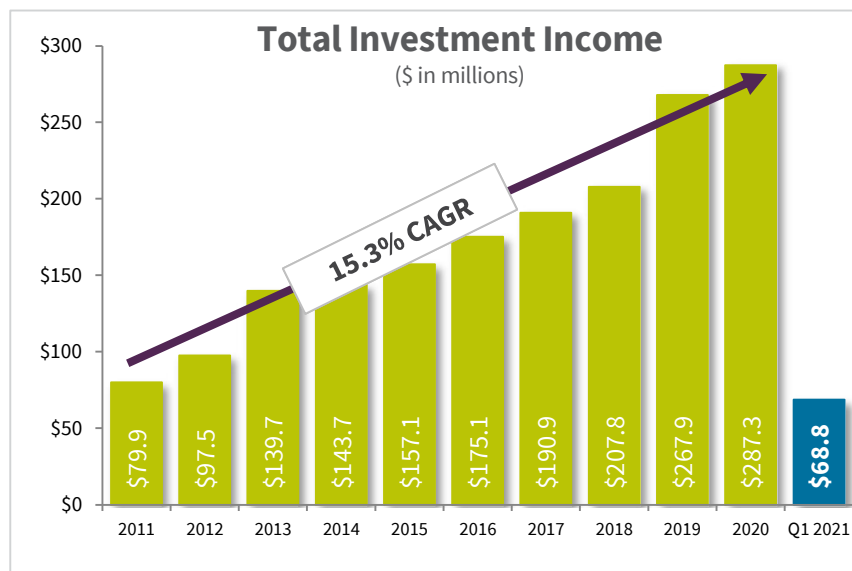
HERCULES CONSISTENTLY MAINTAINS A PREMIUM TO NAV

CREATES A STRONG CAPITAL RAISING POSITION TO SUPPORT GROWTH



(a) Peer Group: AINV, ARCC, BKCC, OCSL, FSK, GBDC, GSBD, MAIN, NMFC, OXSQ, PNNT, PSEC, SLRC, BBDC, TCPC, FCRD, TSLX
Price to NAV Source: S&P CapiQ as of 3/31/21 for HTGC and Peer Group. Stock price based on closing price on last trading day of each calendar year or relative quarter.

HERCULES KEY PERFORMANCE HIGHLIGHTS

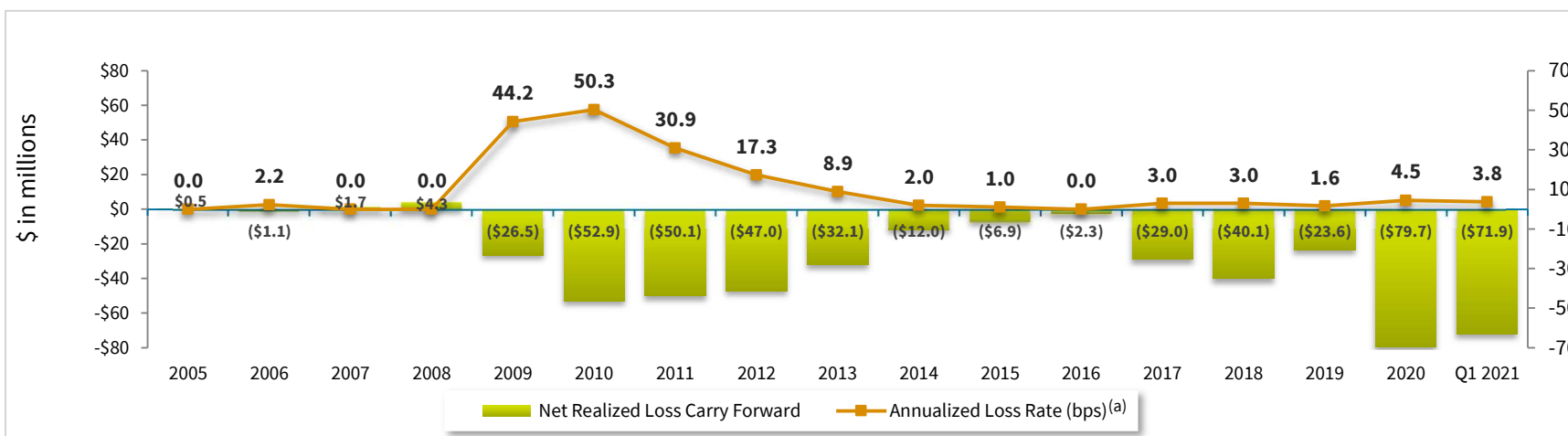


PORTFOLIO GROWTH WITH UNDERWRITING DISCIPLINE

Cumulative Net Debt Commitment and Fundings, Since Inception



Cumulative Total Aggregate Net Realized Gains/(Losses), Since Inception



(a) When compared to total new debt commitments during the same period

COMPANY & STRATEGIC OVERVIEW



HERCULES AT-A-GLANCE

LARGEST BDC FOCUSED ON PROVIDING FINANCING TO HIGH-GROWTH VENTURE CAPITAL-BACKED COMPANIES

| | | | |
|--|--|--|--|
| <p>\$2.0 BILLION</p> <p>MARKET CAPITALIZATION</p> <p>FOUNDED DECEMBER 2003 IPO: June 2005 “HTGC”</p> <p>ENTERPRISE VALUE \$3.08 billion⁽¹⁾</p> <p>MARKET CAPITALIZATION \$2.0 billion⁽¹⁾</p> <p>NET ASSET VALUE PER SHARE \$11.36 as of 3/31/21</p> <p>HISTORICAL PRICE/NAV ~1.1x to ~1.5x range</p> <p>CURRENT PRICE/NAV 1.53x⁽¹⁾</p> | <p>\$2.18 BILLION</p> <p>DEBT INVESTMENT PORTFOLIO</p> <p>DEBT INVESTMENT COST BASIS \$2.18 billion</p> <p>DEBT INVESTMENT FAIR VALUE \$2.19 billion</p> <p>EFFECTIVE YIELD 13.2%</p> <p>DEBT INVESTMENTS IN 95 companies</p> <p>SHORT TERM MATURITIES 36-42 months</p> <p>INVESTMENT SIZE \$5 to \$200 million</p> | <p>96 COMPANIES</p> <p>WARRANT & EQUITY PORTFOLIO</p> <p>WARRANT HOLDINGS IN 96 companies</p> <p>EQUITY HOLDINGS IN 66 companies</p> <p>TOTAL WARRANT AND EQUITY GAAP COST \$220.6 million</p> <p>TOTAL WARRANT AND EQUITY FAIR VALUE \$278.2 million</p> | <p>\$550.0 MILLION</p> <p>LIQUIDITY & BALANCE SHEET</p> <p>AVAILABLE LIQUIDITY TO INVEST⁽²⁾ \$550.0 million</p> <p>GAAP LEVERAGE 94.6% / 89.2% ex. SBA</p> <p>INVESTMENT GRADE RATINGS Moody's: Baa3 DBRS: BBB KBRA: BBB+</p> <p>SECURITIZATION INVESTMENT GRADE RATINGS KBRA: A(sf)</p> |
|--|--|--|--|

(1) Source for Enterprise Value and Market Capitalization is S&P Capital IQ as of April 27, 2021

(2) Subject to existing terms and covenants



WHY IS HERCULES DIFFERENT THAN OTHER BDCs

WE INVEST IN INNOVATIVE VENTURE GROWTH-STAGE COMPANIES

What We Don't Do

- No direct oil and gas exposure
- No CLO exposure
- No CMBS or RMBS exposure
- No metals or minerals exposure

What We Do

- We focus primarily on pre-IPO and M&A, innovative high-growth venture capital backed companies at their expansion (venture growth) and established stages in a broadly diversified variety of technology, life sciences and sustainable and renewable technology industries
- Highly asset sensitive debt investment portfolio – **96.8%** floating rate loans and with interest rate floors⁽¹⁾
- We are generally the only lender and **82.7%** are "true" first lien senior secured⁽¹⁾
- The majority of our debt investments include warrants for potential additional total return
- Substantially all of our debt investments have short term amortizing maturities (36-42 months)
- Focused on strong and sustainable shareholder returns
- Disciplined, proven investment philosophy with over 16 years of strong credit performance history

(1) As of March 31, 2021

STRATEGIC ACCESS TO EQUITY AND DEBT CAPITAL MARKETS

HERCULES' SUCCESSFUL ATM DISTRIBUTION PROGRAM

Hercules' At-the-Market "ATM" Equity Distribution Agreement

- Equity Distribution Agreement: Up to a total of 16.5 million shares of common stock

The Benefits and Competitive Advantages

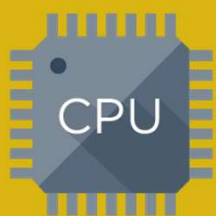
- "Just-in-Time" access provides control on the timing, pricing and amount of capital raised, with full control over leverage ratios
- Ideal for raising growth capital when needed, proceeds expeditiously invested in new investments
- Exceptionally low and cost-effective access to capital markets
- Equity issuances can be highly accretive to NAV when HTGC trades at a premium to NAV

The Results

- Equity ATM Program FY 2020: sold ~ 6.3 million shares for total net proceeds of ~ \$77.2 million

WE ARE AT CENTER STAGE OF THE INNOVATION ECONOMY

HERCULES HAS DOMAIN EXPERTISE IN FIVE SPECIALIZED LENDING GROUPS
“WE ARE NOT GENERALISTS”



Technology



**Life
Sciences**



**SaaS
Financing**



**Sustainable
and Renewable
Technology**



**Special
Situations**

We Invest at the Expansion “Venture Growth” and Established Stage

\$11.6 billion in total debt commitments to over 530 companies since inception

Offices in key venture capital markets: CA | MA | NY | DC | IL | CT

Over 1000 different VC & PE firms, financial investors

Over 190 portfolio companies completed/announced an IPO or M&A event since inception

FINANCIAL HIGHLIGHTS



INCOME STATEMENT: Q1 2021 VS. Q1 2020 SUMMARY RESULTS

| | Three Months Ended March 31, | | |
|--|------------------------------|-----------------|--------------|
| | 2021 | 2020 | Year/Year |
| <i>(\$ in 000's, except per share amounts)</i> | (unaudited) | (unaudited) | Change |
| Interest Income | \$ 63,782 | \$ 66,204 | -4% |
| Fee Income | 4,977 | 7,415 | -33% |
| Total Investment Income | 68,759 | 73,619 | -7% |
| Interest and Loan Fees | 17,550 | 16,326 | 7% |
| General and Administrative | 5,034 | 6,059 | -17% |
| Employee Compensation | 12,548 | 10,654 | 18% |
| Total Net Operating Expenses | 34,199 | 33,039 | 4% |
| Other Income | | | |
| Pre-Tax Net Investment Income-NII | 34,560 | 40,580 | -15% |
| Total Net Realized & Change in Unrealized Appreciation (Depreciation) on Investments | 29,603 | (69,303) | |
| Net Increase(Decrease) in Net Assets from Operations | 64,163 | (28,723) | -323% |
| NII - Net Investment Income per Share (Basic) | \$ 0.30 | \$ 0.37 | -19% |
| Weighted Average Shares Outstanding - Basic | 114,304 | 108,955 | 5% |

CURRENT AND HISTORICAL INCOME STATEMENTS

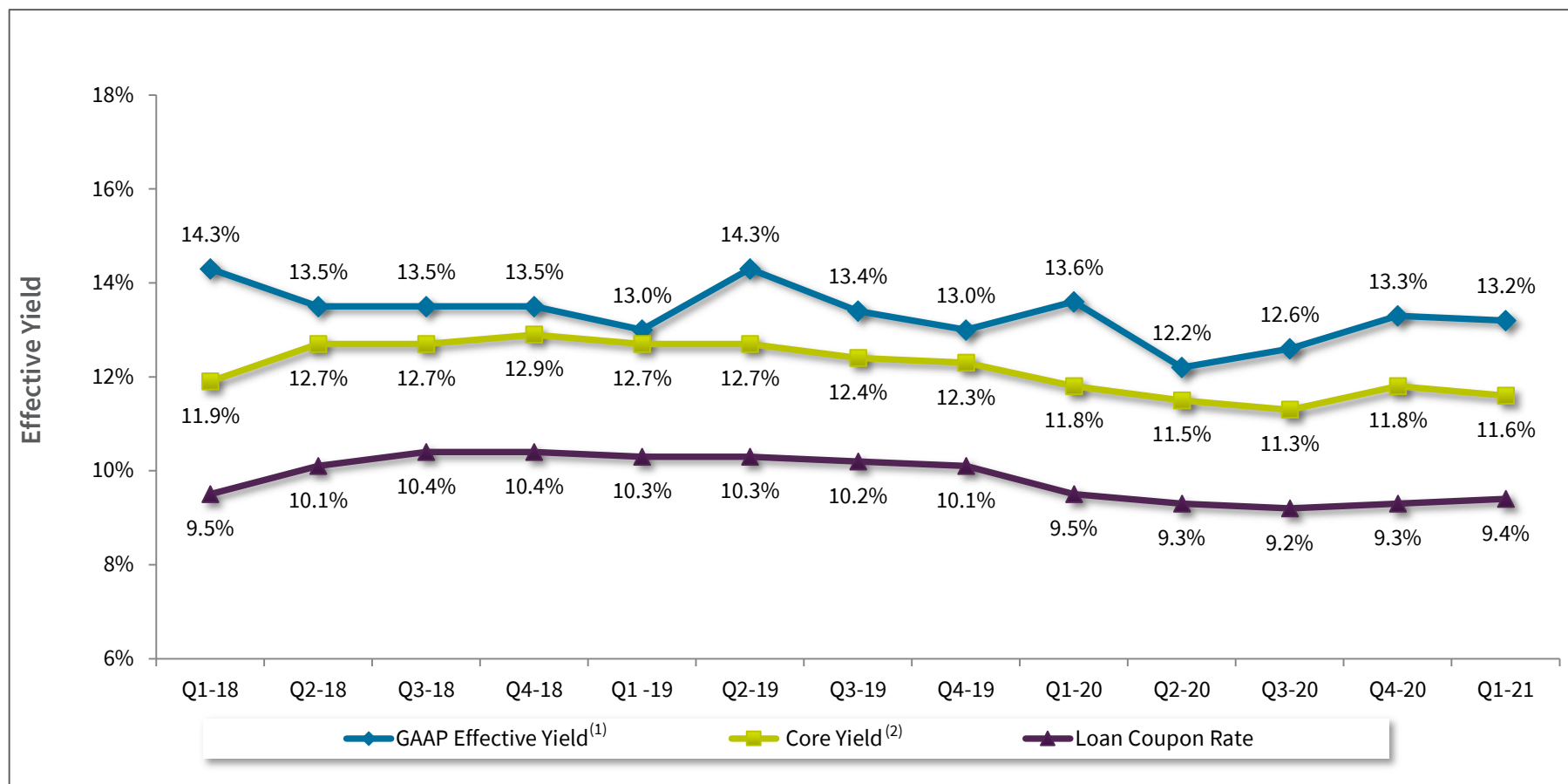
| | Three Months Ended March 31, | Twelve Months Ended December 31, |
|---|---------------------------------|-------------------------------------|
| | 2021 | 2020 |
| (\$ in 000's, except per share amounts) | | |
| Interest Income | \$ 63,782 | \$ 263,379 |
| Fee Income | 4,977 | 23,879 |
| Total Investment Income | 68,759 | 287,258 |
| Interest and Loan Fees | 17,550 | 66,874 |
| General and Administrative | 5,034 | 23,195 |
| Employee Compensation | 12,548 | 40,049 |
| Expenses allocated to the Adviser Subsidiary | (933) | - |
| Total Net Operating Expenses | 34,199 | 130,118 |
| Other Income | | |
| Pre-Tax Net Investment Income-NII | 34,560 | 157,140 |
| Total Net Realized & Change in Unrealized Appreciation (Depreciation) on Investments | 29,603 | 70,121 |
| Net Increase(Decrease) in Net Assets from Operations | 64,163 | 227,261 |
| NII - Net Investment Income per Share (Basic) | \$ 0.30 | \$ 1.39 |
| Weighted Average Shares Outstanding - Basic | 114,304 | 111,985 |

CURRENT & HISTORICAL BALANCE SHEET

| | March 31, | December 31, |
|--|---------------------|---------------------|
| <i>(\$ in 000's, except per share amounts)</i> | 2021 | 2020 |
| ASSETS | | |
| Total Investments | \$ 2,464,355 | \$ 2,354,078 |
| Cash and cash equivalents | 74,987 | 198,282 |
| Restricted cash | 11,829 | 39,340 |
| Interest receivable | 20,597 | 19,077 |
| Other assets | 12,083 | 13,220 |
| Total Assets | \$ 2,583,851 | \$ 2,623,997 |
| LIABILITIES | | |
| Debt (net of deferred issuance costs) | 1,231,298 | 1,286,638 |
| Accounts payable and accrued liabilities | 28,300 | 36,343 |
| Operating lease liability | 8,859 | 9,312 |
| Total Liabilities | \$ 1,268,457 | \$ 1,332,293 |
| Net Assets | \$ 1,315,394 | \$ 1,291,704 |
| Shares Outstanding | 115,768 | 114,726 |
| Net Assets per Share | \$ 11.36 | \$ 11.26 |

EFFECTIVE YIELD VS. CORE YIELD – LEADS TO STRONG EARNINGS

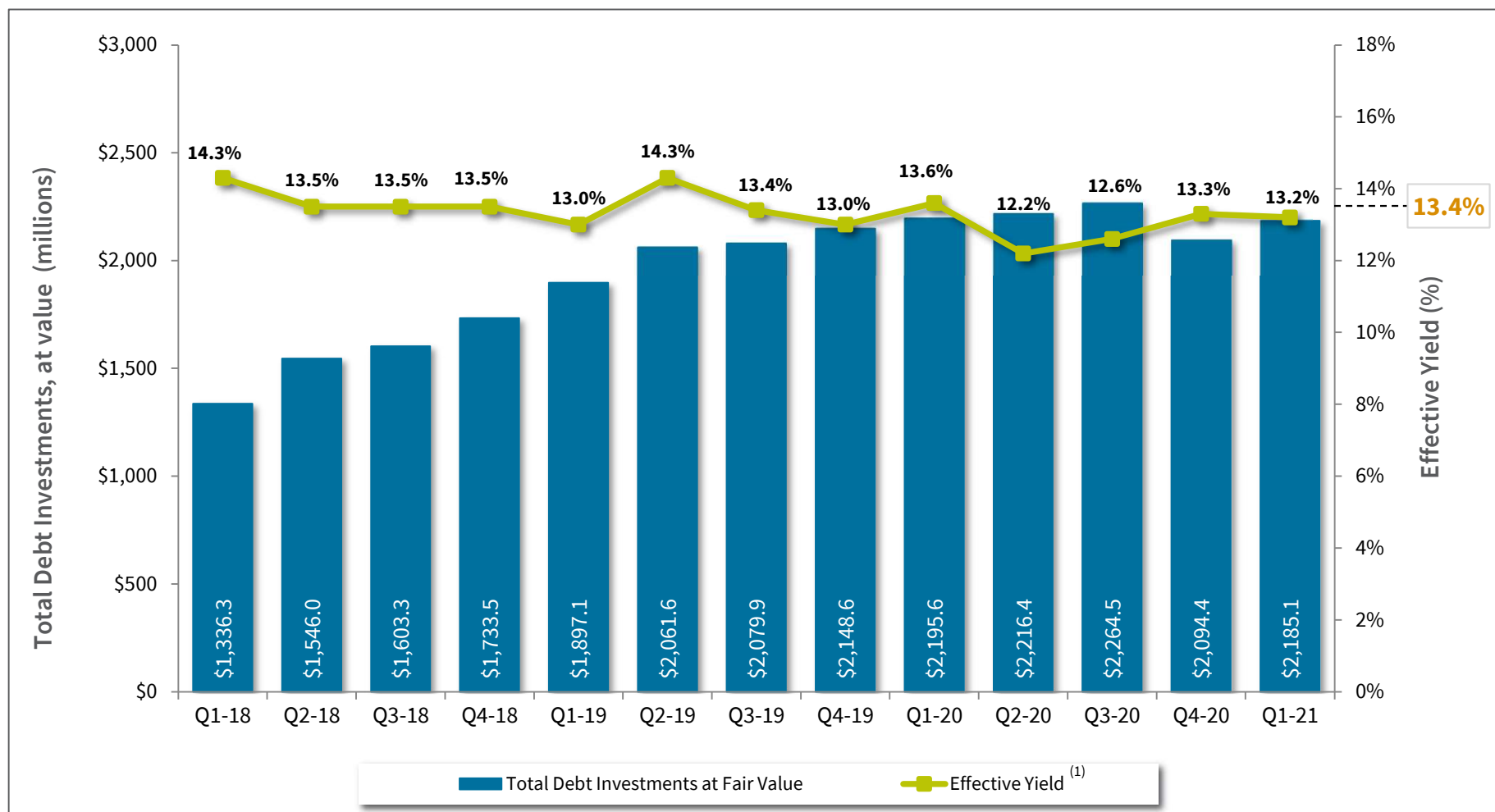
MEDIAN CORE YIELD OF 12.3% (Q1 2018 TO Q1 2021)



- (1) Effective Yield is inclusive of all fees, including all realized unamortized fees and all realized transaction fees including but not limited to amendment fees and prepayment fees, and is calculated based on the weighted average principal balance of loans outstanding on a daily basis
- (2) Core Yield excludes Early Repayments and One-Time Fees, and includes income and fees from expired commitments

HIGH-YIELD PORTFOLIO OF EARNING ASSETS

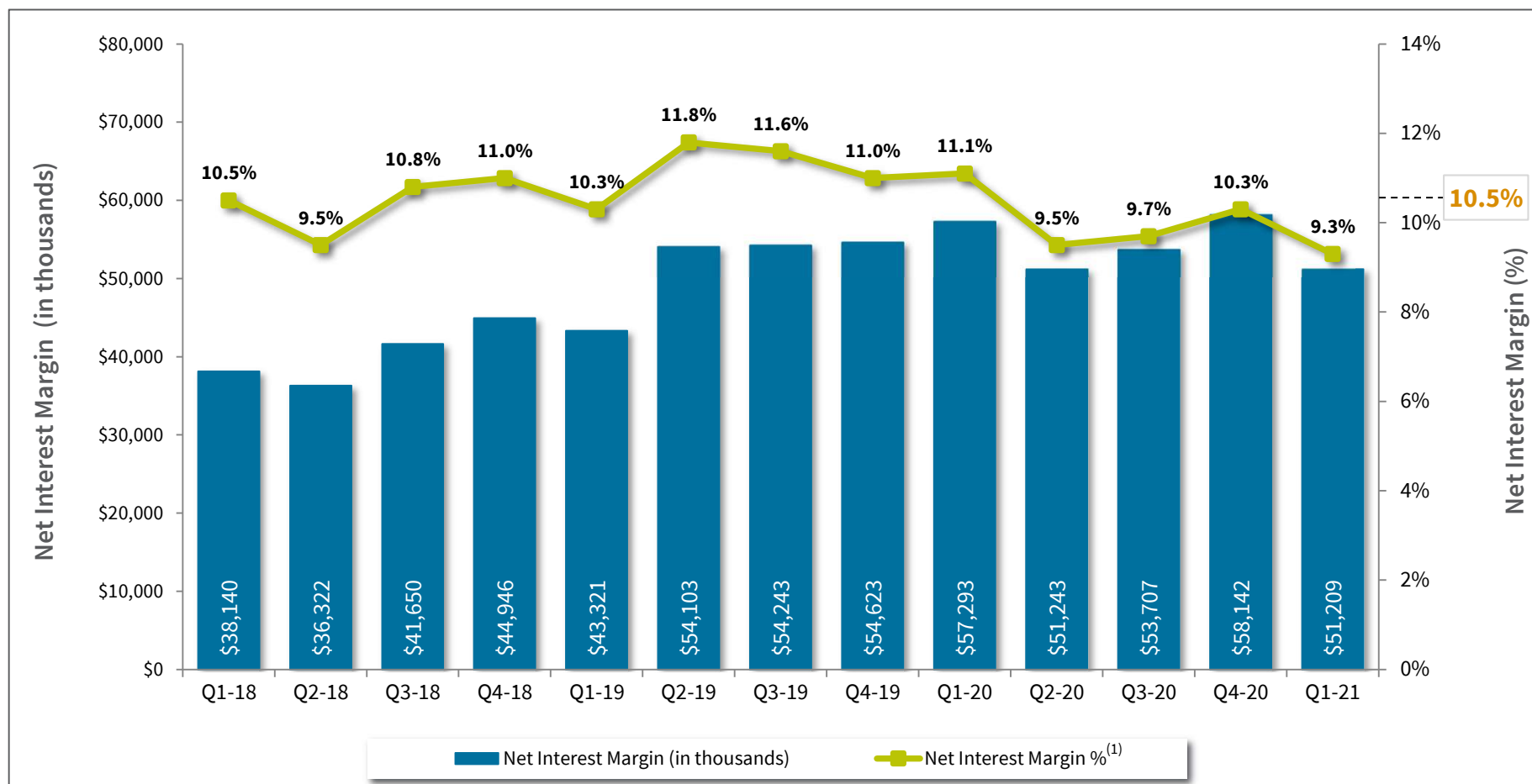
MEDIAN EFFECTIVE YIELD OF 13.4% (Q1 2018 TO Q1 2021)



(1) Effective Yield is inclusive of all fees, including all realized unamortized fees and all realized transaction fees including but not limited to amendment fees and prepayment fees, and is calculated based on the weighted average principal balance of loans outstanding on a daily basis

STRONG, CONSISTENT NET INTEREST MARGIN - NIM

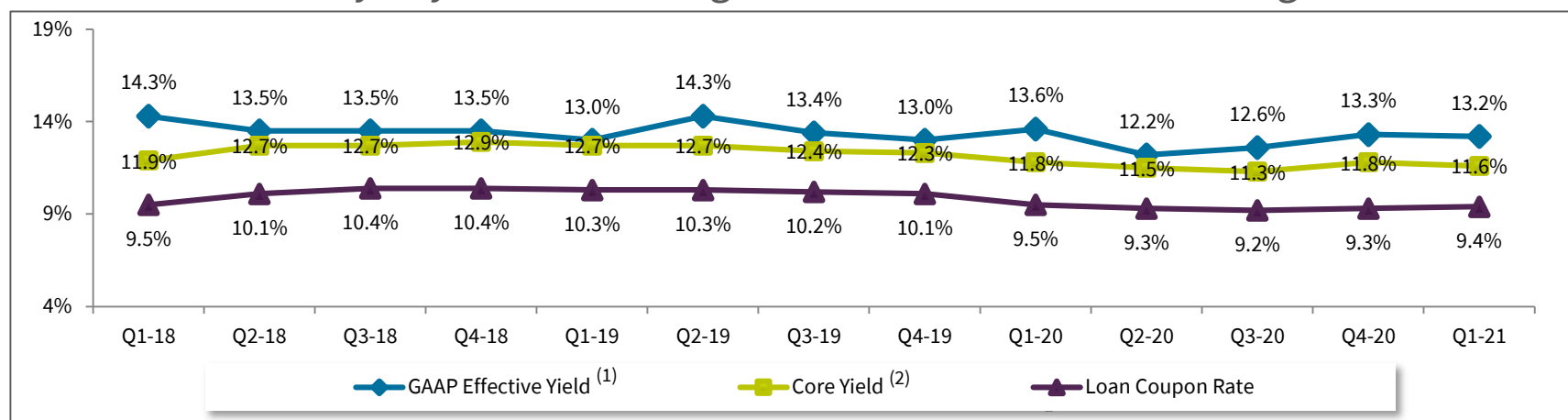
MEDIAN NIM OF 10.5% (Q1 2018 TO Q1 2021)



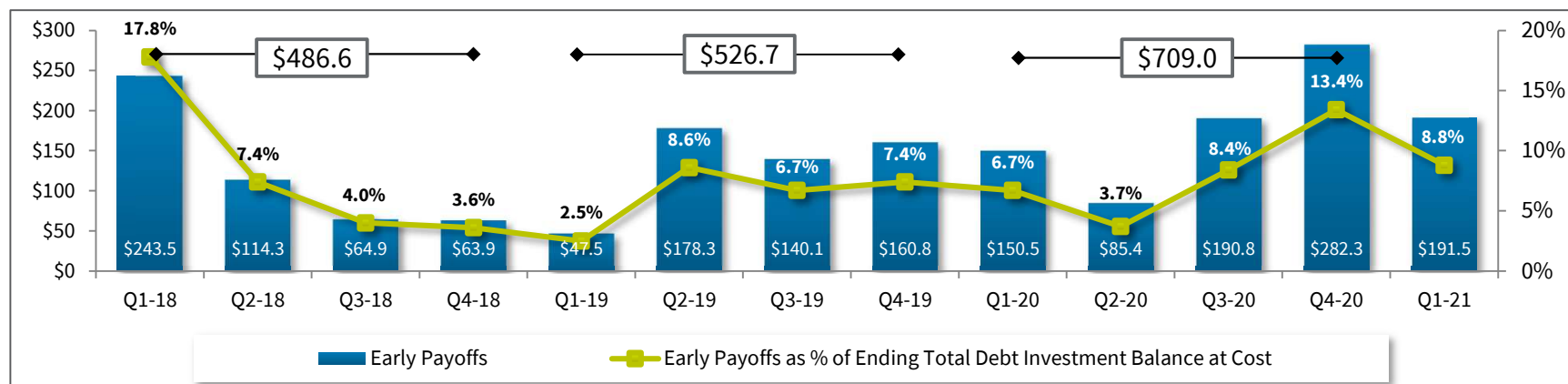
(1) Net Interest Margin = Net Interest Income/Average Yielding Assets excluding Equity Investments

IMPACT OF EARLY PAYOFFS ON EFFECTIVE YIELDS

Early Payoffs Lead to Higher Effective Yields and Earnings



EFFECTIVE YIELDS

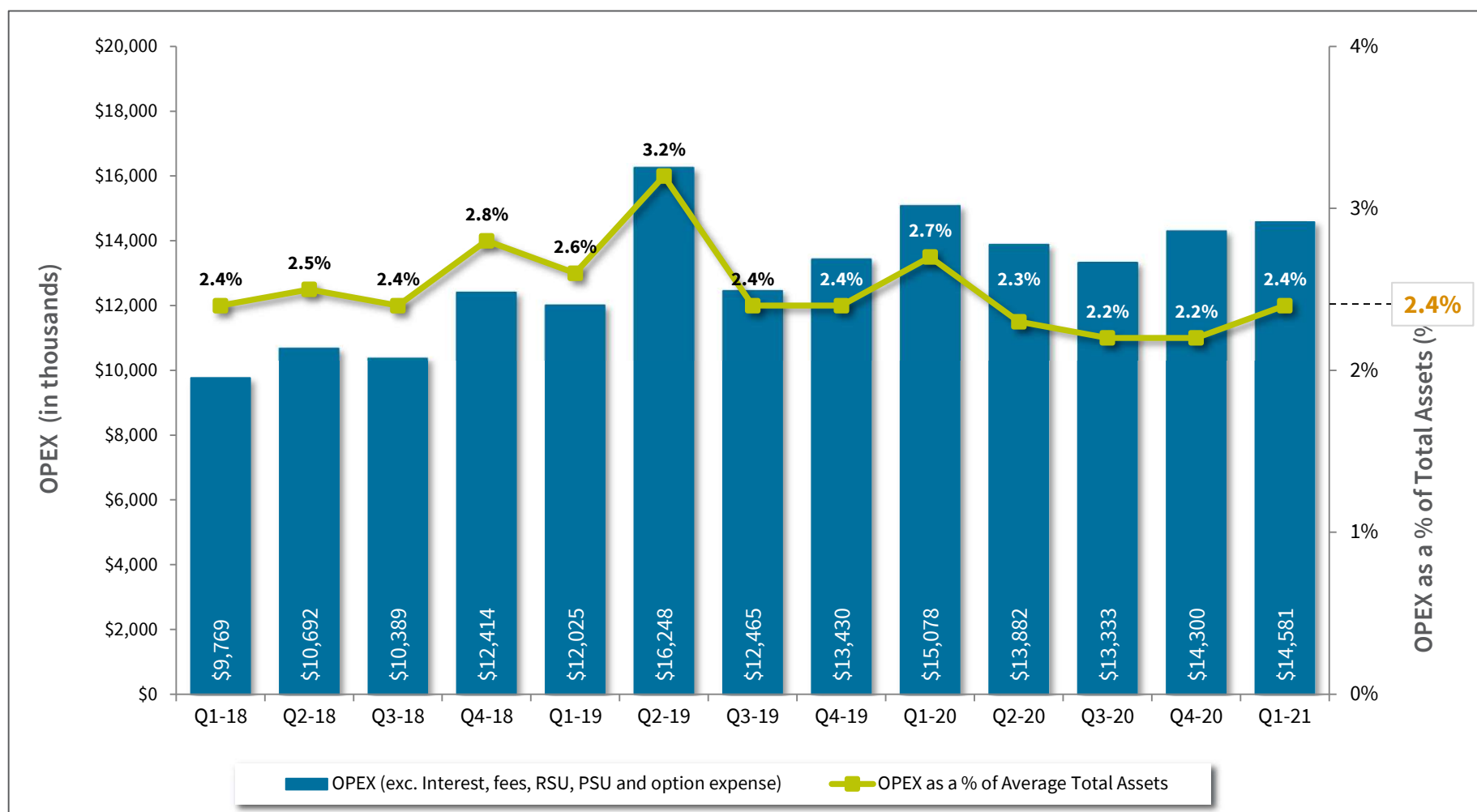


UNSCHEDULED EARLY PAYOFFS (\$ in millions)

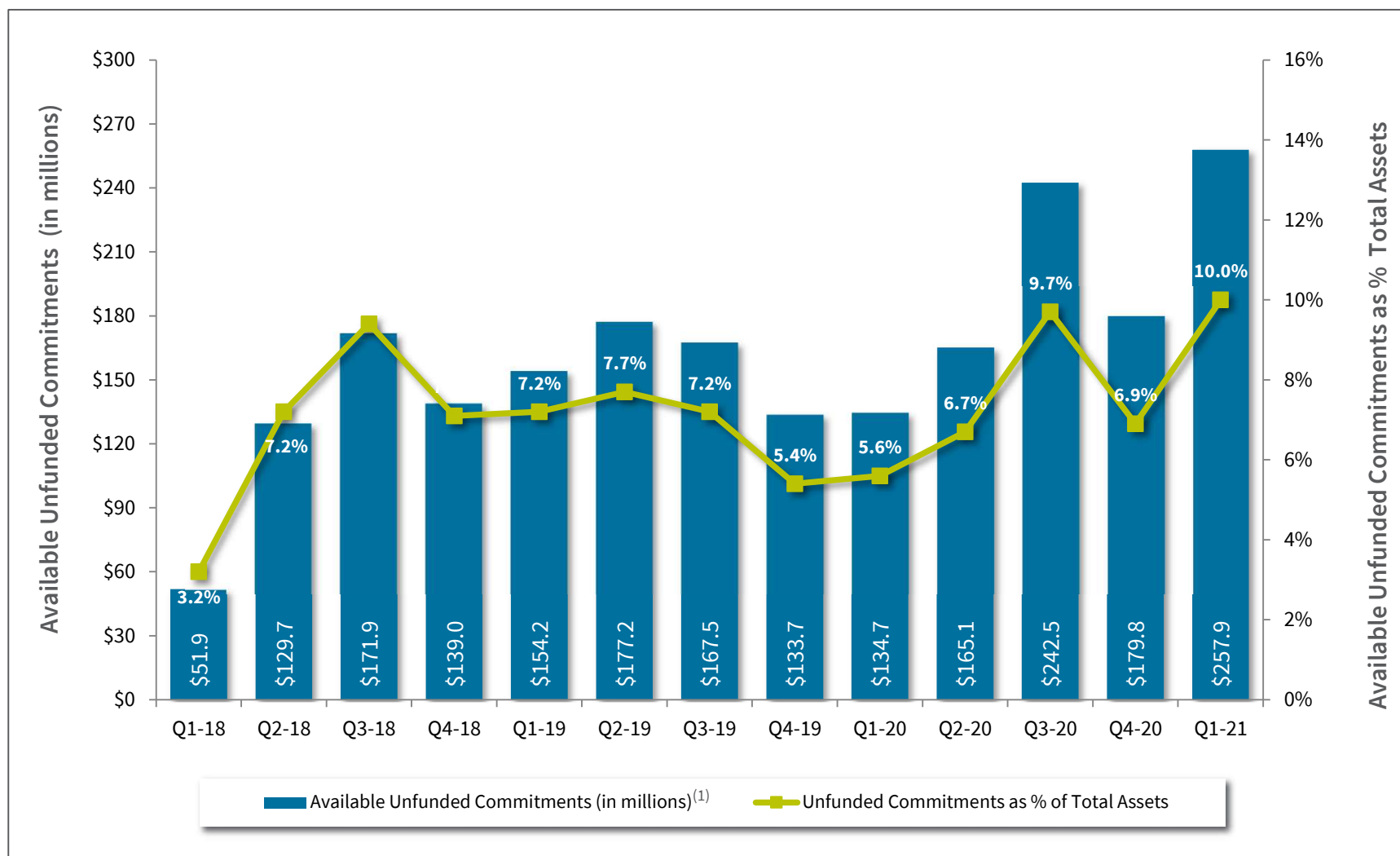
- (1) Effective Yield is inclusive of all fees, including all realized unamortized fees and all realized transaction fees including but not limited to amendment fees and prepayment fees, and is calculated based on the weighted average principal balance of loans outstanding on a daily basis
- (2) Core Yield excludes Early Repayments and One-Time Fees, and includes income and fees from expired commitments

NON-INTEREST AND FEE EXPENSE TO AVERAGE TOTAL ASSETS

MEDIAN ADJUSTED OPEX TO AVERAGE TOTAL ASSETS OF 2.4% (Q1 2018 TO Q1 2021)



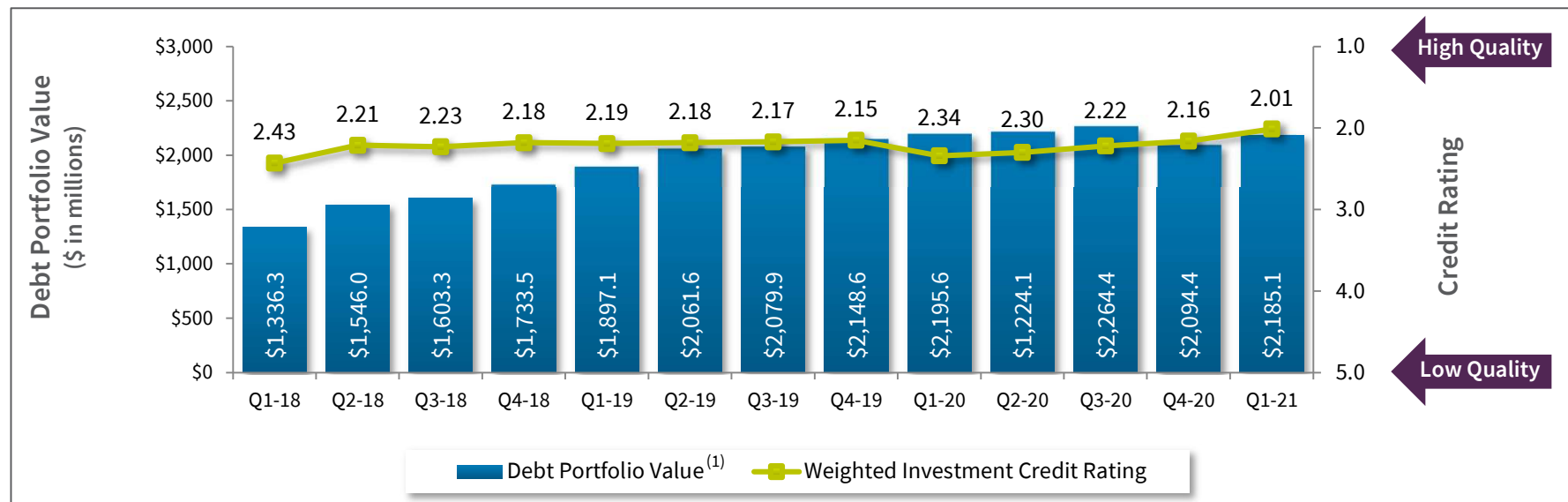
UNFUNDED COMMITMENTS AS A PERCENTAGE OF TOTAL ASSETS



(1) Amount represents available unfunded commitments, including undrawn revolving facilities, which are available at the request by the portfolio company.

CONSISTENT AND DISCIPLINED UNDERWRITING STANDARDS

Disciplined credit underwriting standards deliver consistent long-term results



Credit Grading at Fair Value, Q1 2021 - Q1 2020 (\$ in millions)

| | Q1 2021 | | Q4 2020 | | Q3 2020 | | Q2 2020 | | Q1 2020 | |
|-----------------------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|
| Grade 1 - High | \$ 497.5 | 22.8% | \$ 411.0 | 19.6% | \$ 406.5 | 17.9% | \$ 443.6 | 20.1% | \$ 390.4 | 17.7% |
| Grade 2 | \$ 1,240.7 | 56.8% | \$ 1,027.9 | 49.1% | \$ 1,053.1 | 46.5% | \$ 877.9 | 39.6% | \$ 818.1 | 37.3% |
| Grade 3 | \$ 426.2 | 19.5% | \$ 621.3 | 29.7% | \$ 772.3 | 34.1% | \$ 849.7 | 38.3% | \$ 917.2 | 41.8% |
| Grade 4 | \$ 20.4 | 0.9% | \$ 25.3 | 1.2% | \$ 26.7 | 1.2% | \$ 25.0 | 1.1% | \$ 54.3 | 2.5% |
| Grade 5 - Low | \$ 0.2 | 0.0% | \$ 8.9 | 0.4% | \$ 5.9 | 0.3% | \$ 20.1 | 0.9% | \$ 15.5 | 0.7% |
| Weighted Avg. | 2.01 | | 2.16 | | 2.22 | | 2.30 | | 2.34 | |

(1) Debt only; based on fair value

DIVERSIFIED SOURCES OF FUNDING: Q1 2021

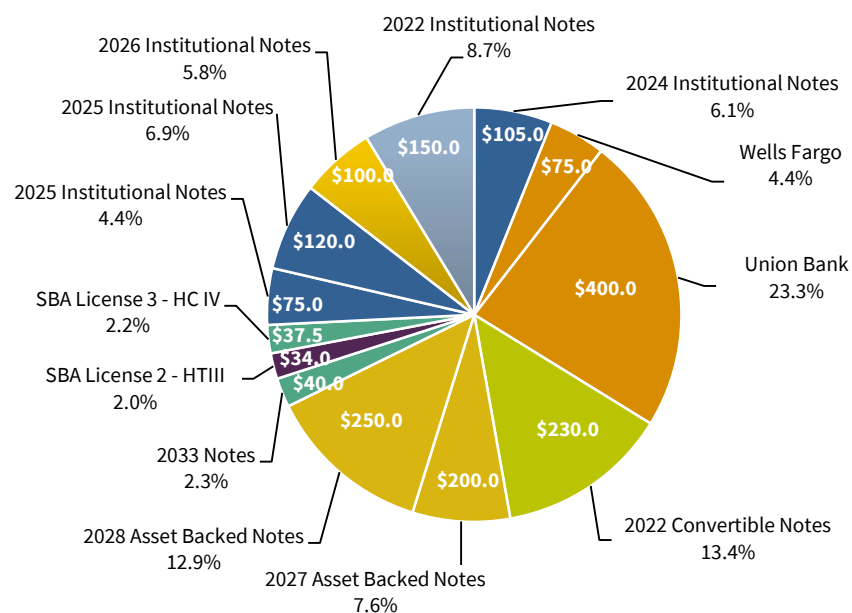
Entity Capitalization

Capital Sources as of 3/31/21

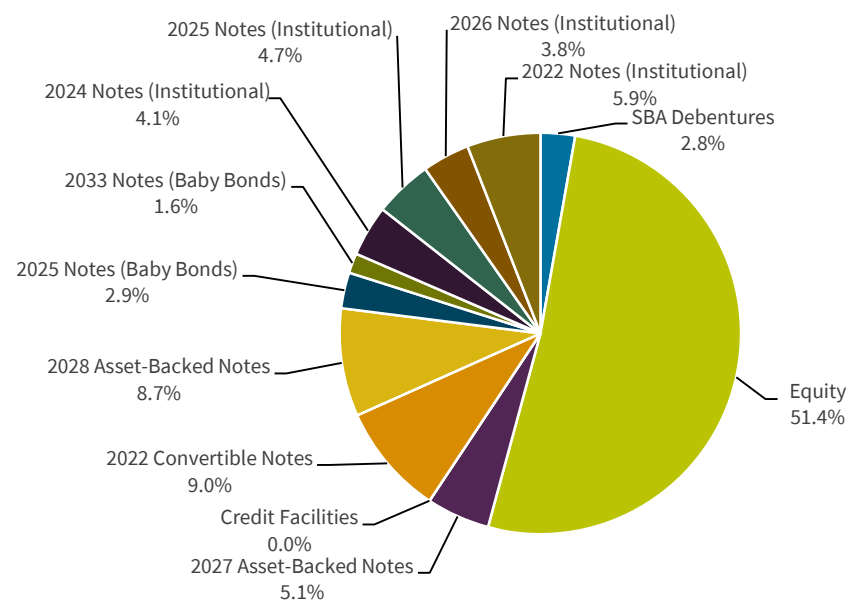
| | \$ in Millions | % of Total |
|----------------------------|------------------|---------------|
| Equity | \$1,315.4 | 51.4% |
| SBA Debentures | \$71.5 | 2.8% |
| 2027 Asset-Backed Notes | \$131.5 | 5.1% |
| 2028 Asset-Backed Notes | \$221.4 | 8.7% |
| 2022 Convertible Notes | \$230.0 | 9.0% |
| 2022 Notes (Institutional) | \$150.0 | 5.9% |
| 2024 Notes (Institutional) | \$105.0 | 4.1% |
| 2025 Notes (Baby Bonds) | \$75.0 | 2.9% |
| 2033 Notes (Baby Bonds) | \$40.0 | 1.6% |
| 2025 Notes (Institutional) | \$120.0 | 4.7% |
| 2026 Notes (Institutional) | 100.0 | 3.8% |
| Credit Facilities | \$0.0 | 0.0% |
| Total Capital | \$2,559.8 | 100.0% |

(\$ in millions)

Debt Capital Stack



Total Corporate Capitalization

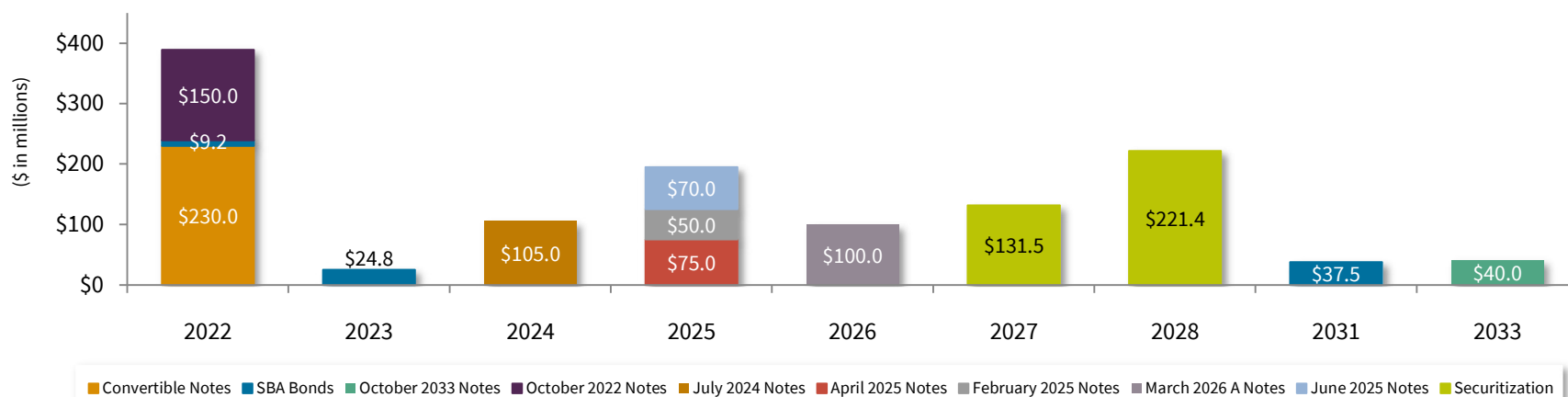


DIVERSIFIED SOURCES OF FUNDING (AS OF 3/31/21)

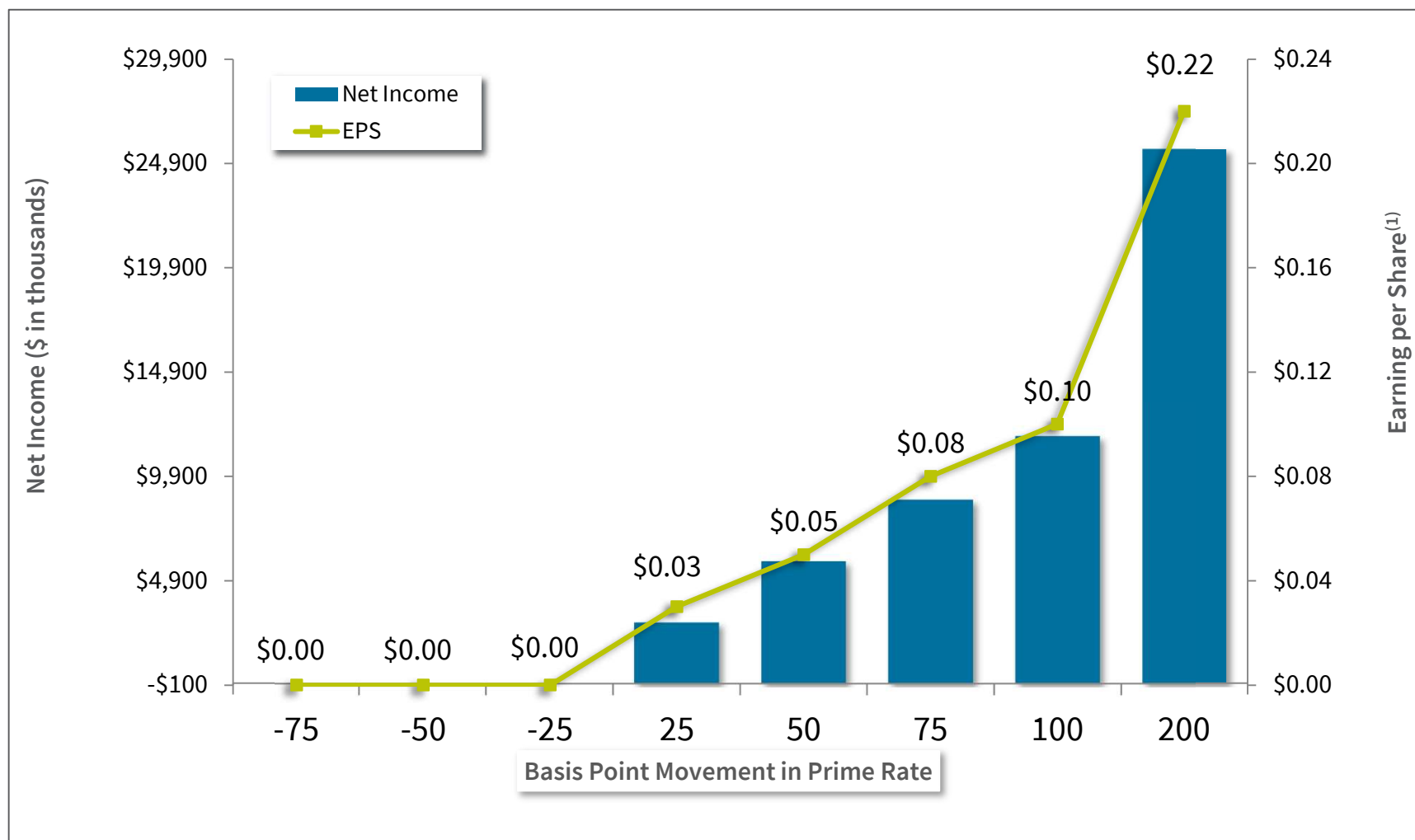
| DATE ENTERED | | | Notes | | | | | | | | SBA Debentures | | | |
|--------------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|---------------------------------|---------------------------------|-----------------------|---------------------------|-----------------------|------------------------|--|---------------------------------|-----------------|---------------|
| | Wells Fargo Credit Facility | Union Bank Credit Facility | January 2022 Conv. Notes | October 2022 Inst. Notes | April 2025 Notes | October 2033 Notes | July 2024 Inst. Notes | February 2025 Inst. Notes | June 2025 Inst. Notes | March 2026 Inst. Notes | License 2 HTIII | License 3 HC IV | Securitizations | |
| | Aug. 2008 | Feb. 2020 | Jan. 2017 | Oct. 2017 | April 2018 | Oct. 2018 | July 2019 | Feb. 2020 | June 2020 | Nov. 2020 March 2021 | May 2010 | March 2021 | Nov. 2018 | Jan. 2019 |
| FACILITY SIZE (\$ in millions) | \$75.0 | \$400.0 | \$230.0 | \$150.0 | \$75.0 | \$40.0 | \$105.0 | \$50.0 | \$70.0 | \$100.0 | \$34.0 | \$37.5 | \$131.5 | \$221.4 |
| INTEREST RATE | LIBOR + 300bps | LIBOR + 250bps | 4.375% unsecured | 4.625% unsecured | 5.25% unsecured | 6.25% unsecured | 4.77% unsecured | 4.28% Unsecured | 4.31% Unsecured | 4.50%/4.55% Unsecured | Range ⁽¹⁾ from 2.25% to 2.35% | LIBOR + 30bps ⁽¹⁾ | 4.605% | 4.703% |
| MATURITY | January 2023 | February 2024 | February 2022 | October 2022 | April 2025 | October 2033 | July 2024 | February 2025 | June 2025 | March 2026 | Mature 10 years after borrowing | Mature 10 years after borrowing | November 2027 | February 2028 |
| ADDITIONAL INFO | (Expandable up to \$125.0) | (Expandable up to \$600.0) | DBRS: BBB KBRA: BBB+ | DBRS: BBB KBRA: BBB+ | NYSE: HCXZ DBRS: BBB KBRA: BBB+ | NYSE: HCXY DBRS: BBB KBRA: BBB+ | KBRA: BBB+ | KBRA: BBB+ | KBRA: BBB+ | KBRA: BBB+ | Set in March & Sept. (range: 2.2% to 5.5%) | Reset in September 2021 | KBRA: A(sf) | KBRA: A(sf) |
| OUTSTANDING (\$ in millions) | \$0.0 | \$0.0 | \$230.0 | \$150.0 | \$75.0 | \$40.0 | \$105.0 | \$50.0 | \$70.0 | \$100.0 | \$34.0 | \$37.5 | \$131.5 | \$221.4 |

(1) Interest rate range for the SBA debentures does not include annual fees

Well Managed Debt Maturity Schedule



INTEREST RATES & ASSET SENSITIVITY



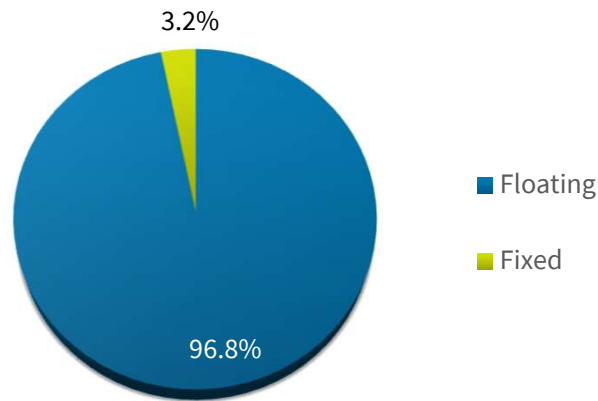
(1) EPS calculated on basic weighted shares outstanding of 114.3 million and a static debt investment portfolio as of March 31, 2021. Estimates are also subject to change due to impact from potential participation in the Company's equity ATM program and future equity offerings.

PORTFOLIO HIGHLIGHTS

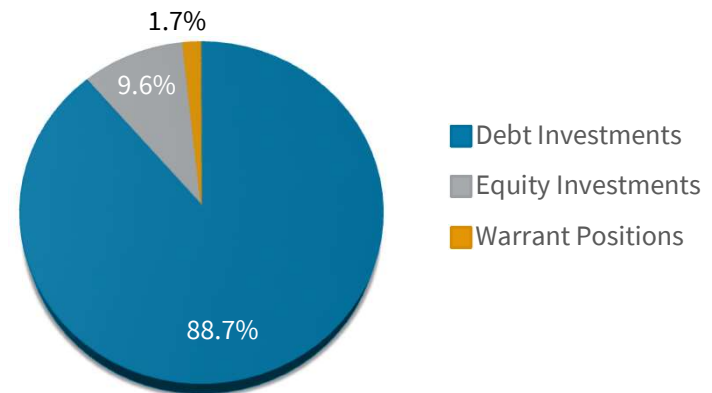


HERCULES' INVESTMENT PORTFOLIO: Q1 2021

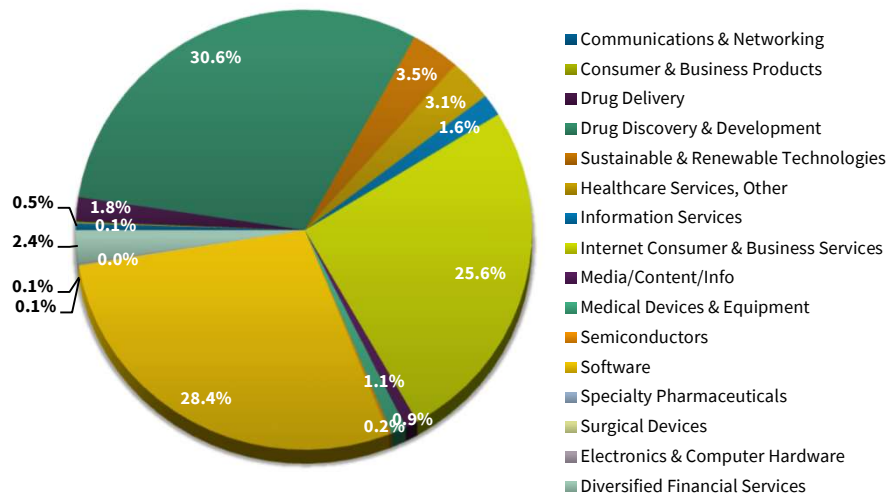
Floating vs. Fixed Rate



Investment Type Breakout

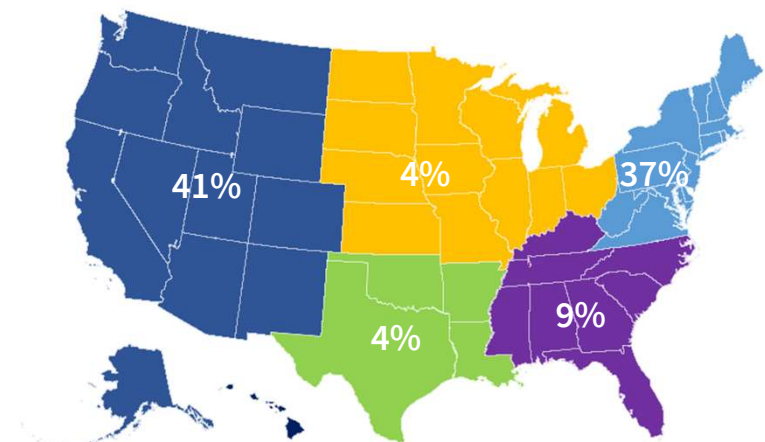


Industry Breakout



Percentage of Portfolio Companies by Region

(Portfolio Companies as of December 31, 2020)



International: 5%

Powered by Bing
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HERCULES' WARRANT & EQUITY PORTFOLIO: POTENTIAL FUTURE UPSIDE FOR SHAREHOLDER'S TOTAL RETURN

7 Portfolio Companies in Registration or SPAC Agreements – YTD 2021

- Sprinklr, Privia Health, Achronix Semiconductor, Wheels Up, Proterra, Varisty Tutors, and 23andMe

4 Portfolio Company M&A Liquidity Events – YTD 2021

- The Wing, Convercent, Velocity Clinical Research and Ology Bioservices

Current Warrant and Equity Portfolio – Q1 2021

- 96 warrant holdings
 - GAAP fair value ~\$42.0 million
 - GAAP cost ~\$25.3 million
 - ~\$62.9 million in nominal Exercise Value (as of 3/31/21)
- 66 equity holdings
 - GAAP fair value ~\$236.2 million
 - GAAP cost ~\$195.3 million

■ Illustrative models of potential warrant gains (as of 3/31/21)

- Assumption: 50% of warrants will not monetize
- GAAP cost ~\$12.6 million
- Based on ~114.3 million weighted average shares

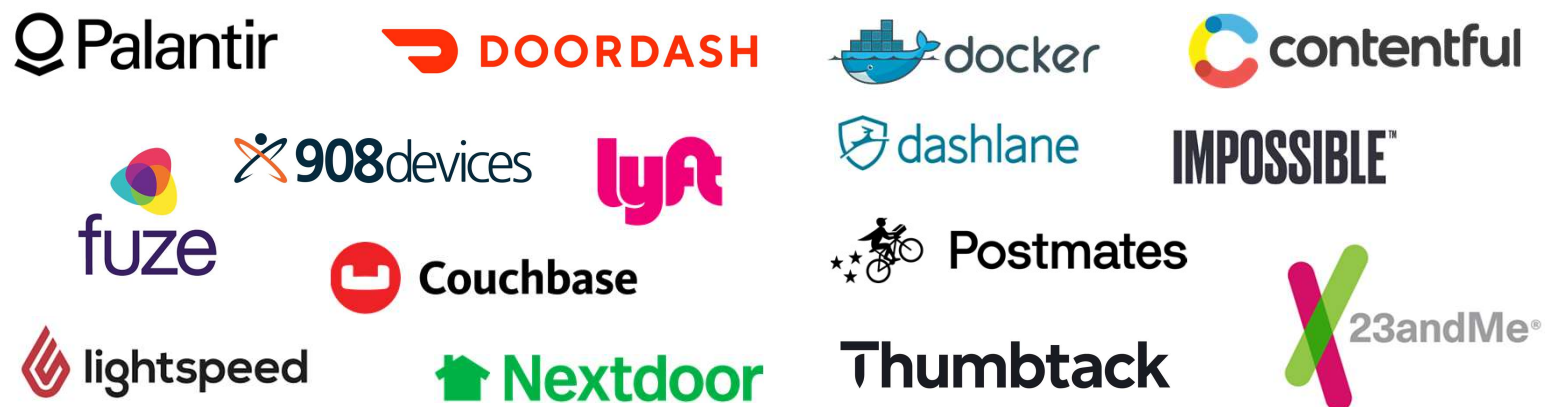
\$31.4M x 2X multiple:
\$62.9M - \$12.6M cost =
\$50.3M unrealized gain = **\$0.44/share**

\$31.4M x 3X multiple:
\$94.2M - \$12.6M cost =
\$81.6M unrealized gain = **\$0.71/share**

\$31.4M x 4X multiple:
\$125.6M - \$12.6M cost =
\$113.0 unrealized gain = **\$0.99/share**

SELECT LIST OF WARRANT AND EQUITY PORTFOLIO HOLDINGS

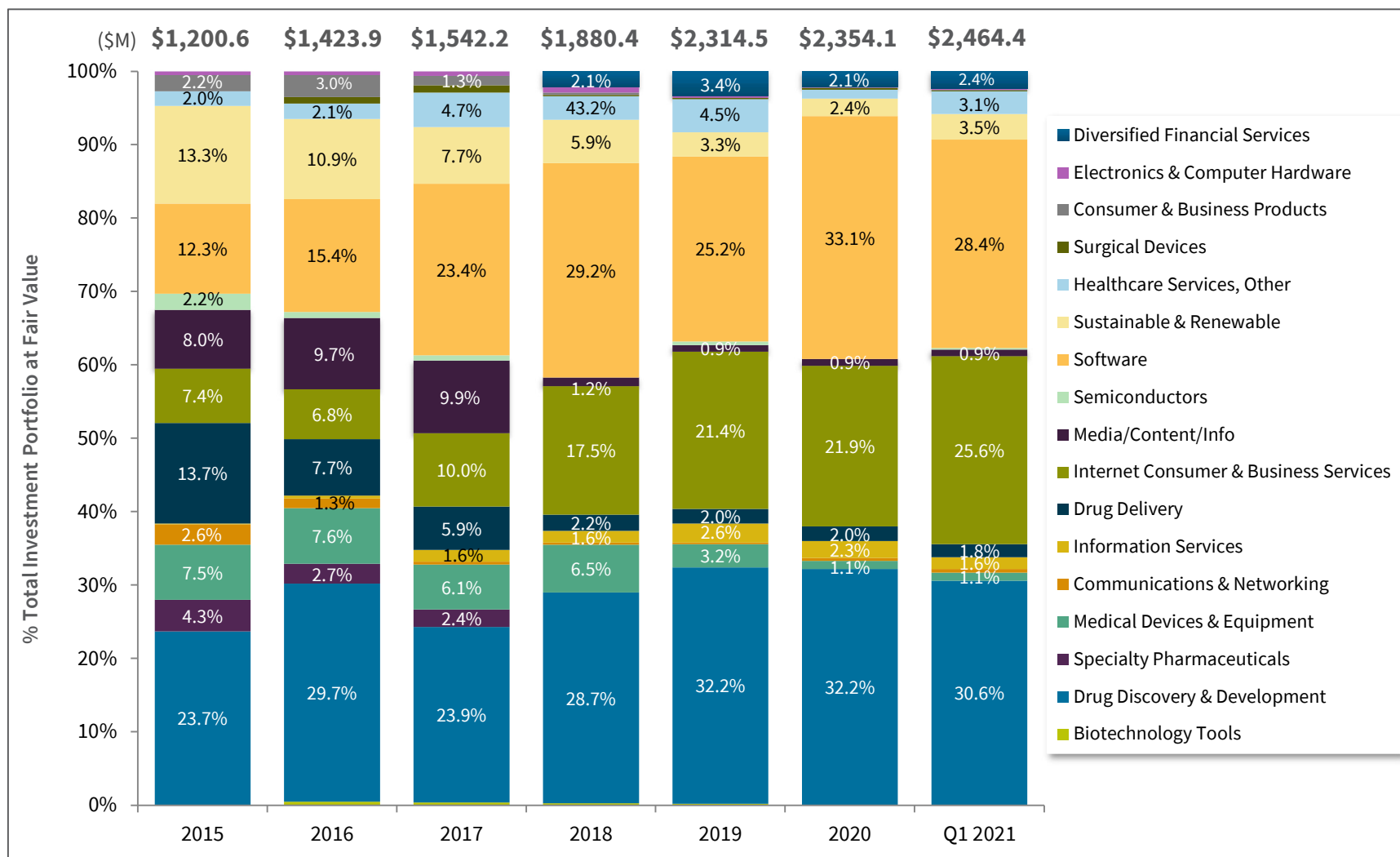
Technology



Life Sciences

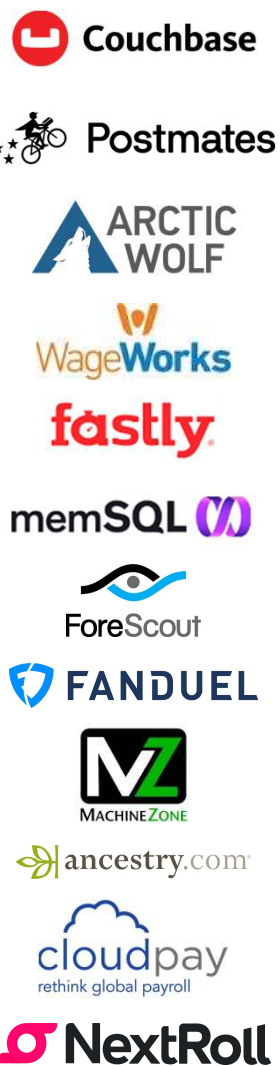


A BROADLY DIVERSIFIED PORTFOLIO RE-BALANCED ACCORDING TO OUR ASSESSMENT OF ONGOING MARKET CONDITIONS MITIGATES RISK



SELECT LIST OF DIVERSIFIED PORTFOLIO COMPANIES

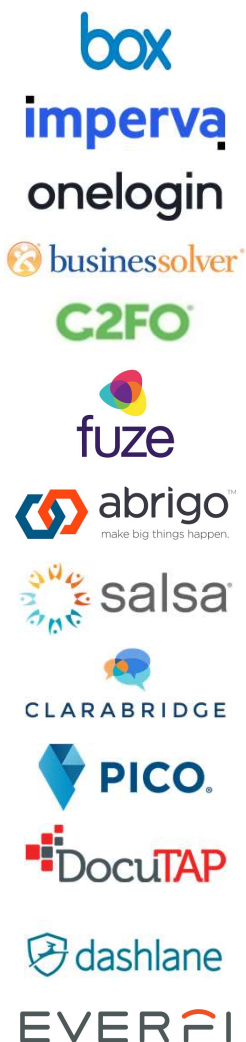
Technology



Life Sciences



SaaS Financing



Sustainable & Renewable Technology



Special Situations



DIVERSIFIED INVESTMENT APPROACH MITIGATES RISK



Four Key Diversification Strategies

FINANCIAL SPONSORS

More than
1000 Venture
Capital Firms
&
Investors

INDUSTRY SECTORS

Technology
SaaS Financing
Life Sciences
Sustainable &
Renewable
Special
Situations

STAGES OF DEVELOPMENT

Expansion or
“Venture Growth”
&
Established

GEOGRAPHIC LOCATION

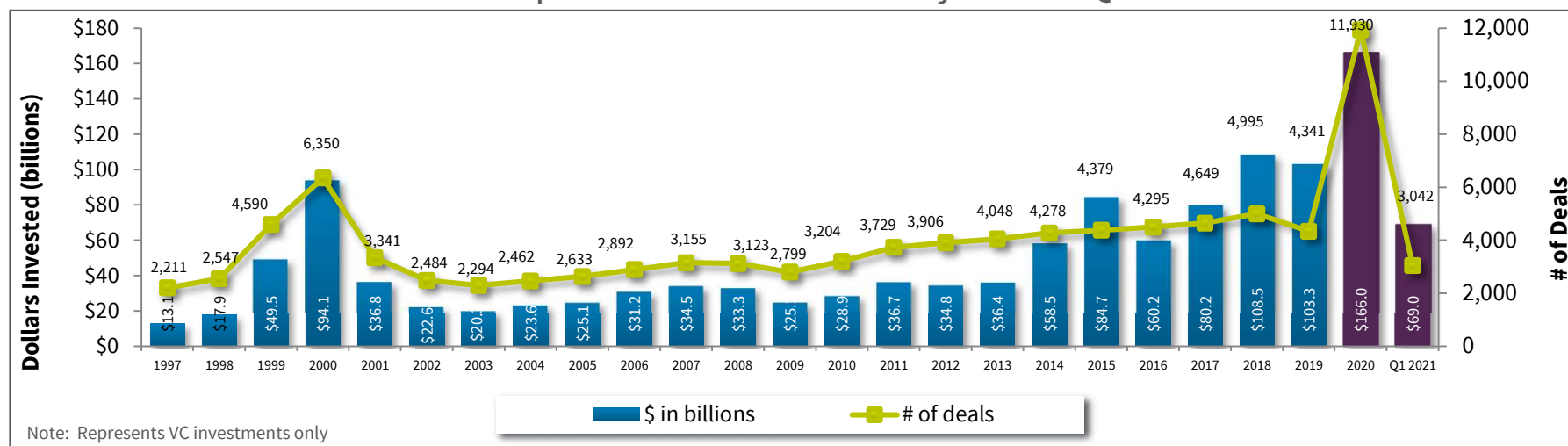
Key VC
Investment
Centers
Palo Alto
Boston
New York
Washington DC
Chicago
Hartford

VENTURE CAPITAL MARKET OPPORTUNITY



OVER \$1.2 TRILLION IN VENTURE CAPITAL INVESTMENTS

Venture Capital Investment Activity 1997 – Q1 2021



Source: Dow Jones VentureSource thru 2019 PitchBook-NVCA Venture Monitor thru Q1 2021

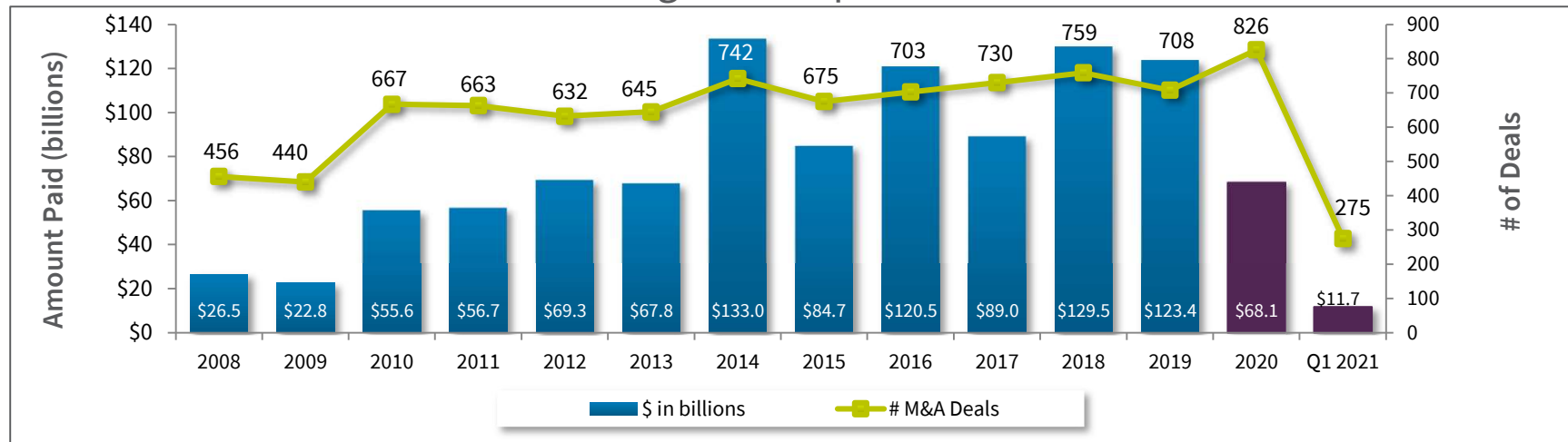
Venture Capital Fundraising Activity 1998 – Q1 2021



Source: Dow Jones VentureSource thru 2019 PitchBook-NVCA Venture Monitor thru Q1 2021

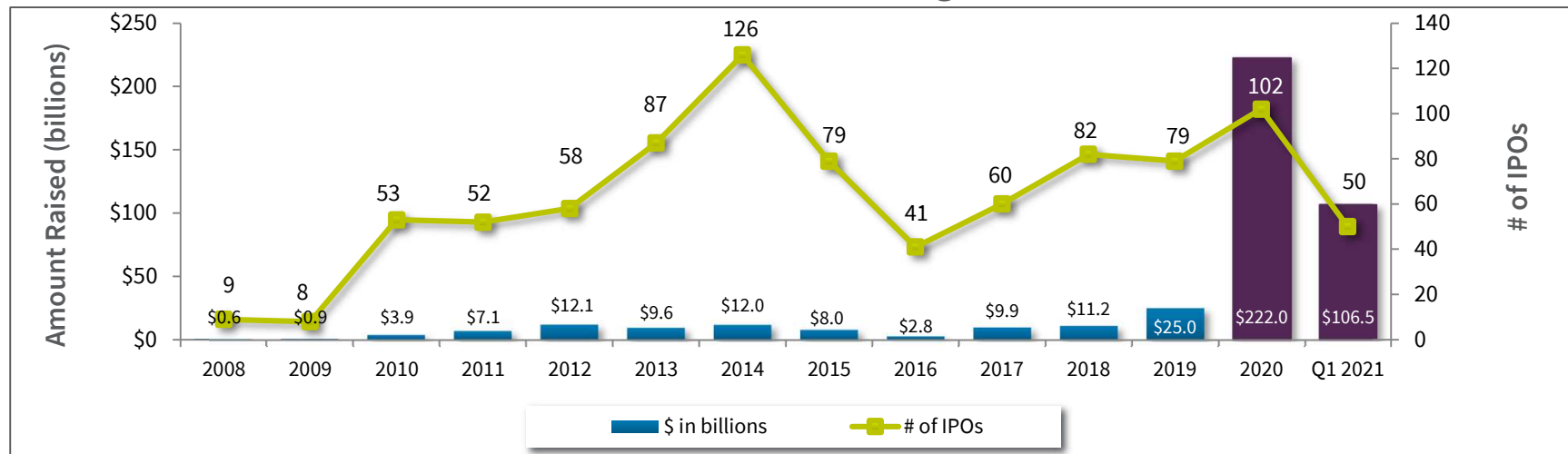
EXITS OF VENTURE CAPITAL-BACKED COMPANIES

Mergers & Acquisitions



Source: Dow Jones VentureSource thru 2019 PitchBook-NVCA Venture Monitor thru Q1 2021

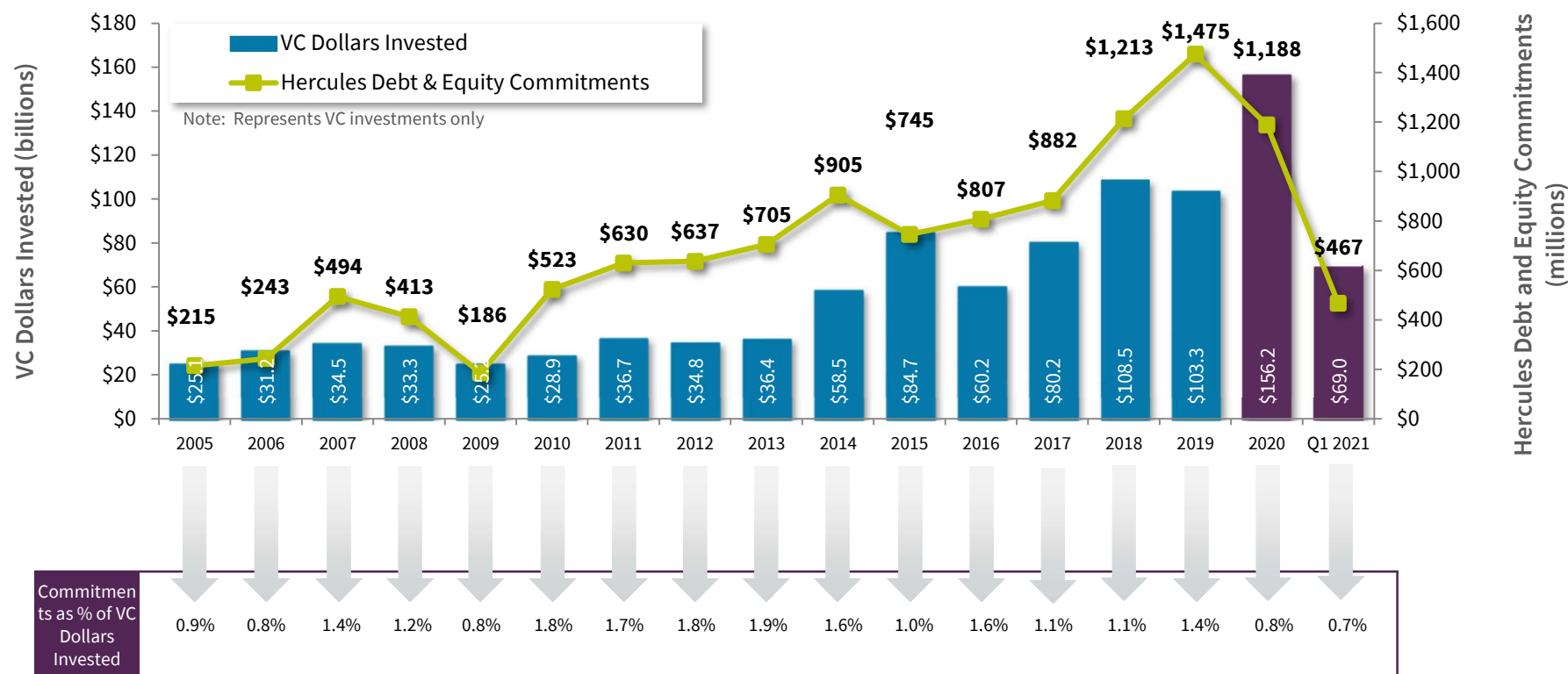
Initial Public Offerings



Source: Dow Jones VentureSource thru 2019 PitchBook-NVCA Venture Monitor thru Q1 2021

HERCULES' TOTAL COMMITMENTS vs. VC DOLLARS INVESTED

VENTURE CAPITAL INVESTMENT ACTIVITY 2005 – Q1 2021



- Hercules' uncompromising yield and credit underwriting standards drives commitments
- Market conditions determine commitment activity more than pure VC investment activity
- Hercules' 16-year historical average: 1.1%

Source: Dow Jones VentureSource thru 2019 PitchBook-NVCA Venture Monitor thru Q1 2021

INVESTMENT HIGHLIGHTS



ANALYST COVERAGE



BROAD INDUSTRY ANALYST COVERAGE – 11 FIRMS



Finian O'Shea
(Transferred Coverage 7/13/2018)

Jefferies

John Hecht
(Initiated Coverage 6/30/2015)

JMP

Devin Ryan
(Re-Initiated Coverage 11/2/2020)



A Stifel Company

Ryan Lynch
(Re-initiated Coverage 2/19/2013)



Sarkis Sherbetchyan
(Re-initiated Coverage 2/22/2021)

PIPER | SANDLER

Crispin Love
(Re-initiated Coverage 7/20/2020)



Casey Alexander
(Initiated Coverage 6/23/15)



Christopher Nolan
(Initiated Coverage 11/20/2017)



Mitchel Penn
(Initiated Coverage 4/27/2021)



Henry Coffey
(Initiated Coverage 10/24/17)



Capital Markets
Kenneth Lee
(Initiated Coverage 3/25/2021)

Hercules Capital is followed by the analysts listed above. Please note that any opinions, estimates or forecasts regarding Hercules Capital's performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of Hercules Capital or its management. Hercules Capital does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.



SUPPLEMENTAL INFORMATION



REGULATION AND STRUCTURE

Hercules is an Internally Managed BDC under the 1940 Act and a RIC for Tax Purposes

Business Development Company (BDC)

- Regulated by the SEC under the Investment Company Act of 1940
- Leverage limited to approximately 2:1 debt/equity, unless an SEC exemptive order exists to exclude SBA debt
- Investments are required to be carried at fair value
- Majority of Board of Directors must be independent
- Offer managerial assistance to portfolio companies

Regulated Investment Company (RIC)

- Distribute taxable income as dividend distributions to shareholders
- Mandates asset diversification
- Eliminates corporate taxation
- Allows for the retention of capital gains and/or spillover of taxable income

Small Business Investment Company (SBIC)

- One Small Business Investment Company (“SBIC”) license granted through the U.S. Small Business Administration (“SBA”)
- Currently, \$71.5 million exemption from SEC leverage restrictions for BDCs, excludes all SBIC debt from BDC 2:1 leverage test

PRIMARILY INVEST AT STAGES OF HIGH GROWTH

| | Expansion Stage | Established |
|--|--|--|
| Type of Company | Follow-on Rounds of Growth Capital (Series B-Liquidity Event) | Private Late Stage/ Select Public Companies |
| Equity Capital Provider | Venture Capital/ Private Equity | Public Markets/ Private Equity |
| Expectation for Additional Sponsor Support | 1-3 Additional Rounds | 0-2 Additional Rounds |
| Targeted Warrant Gain Potential | 3-7 x | 2-4 x |
| Potential Time to Liquidity | 4-6 years | 2-4 years |