



Financing the Growth of Tomorrow's Companies Today

Q1 2023 INVESTOR PRESENTATION

May 4, 2023

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. This presentation should be read in conjunction with our recent SEC filings.

Historical results discussed in this presentation are not indicative of future results.

Hercules Capital

Structure

Internally Managed Business Development Company (BDC)

IPO Date

June 9, 2005

HTGC
LISTED
NYSE - Common Stock

Investment Options

Institutional Notes PAR \$1000.00/\$2000.00

- 2.625% Notes due 2026
- 3.375% Notes due 2027
- 4.28% Notes due 2025
- 4.31% Notes due 2025
- 4.50% Notes due 2026
- 4.55% Notes due 2026
- 4.77% Notes due 2024
- 6.00% Notes due 2025

Securitization Notes

- 4.95% Asset-backed Notes due 2031

Retail Notes (Baby Bonds) PAR \$25.00

- HCXY (NYSE) 6.25% Notes due 2033

Annualized Base Dividend Yield⁽¹⁾

12.1% as of March 31, 2023

Distributions Declared

\$0.39 per share base for Q1 2023
\$0.08 per share supplemental for Q1 2023

Price to NAV

1.22x - May 1, 2023
1.1x to 1.7x historical range

(1) Annualized based on the \$0.39 base distribution declared for Q1 2023 and a closing stock price of \$12.89 as of March 31, 2023

Regulation and Structure

Hercules is a Publicly Listed, Internally Managed BDC and RIC

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
- Subject to comprehensive disclosure requirements under the 1934 Act

New York Stock Exchange-Listed Company

- Annual stockholder meeting
- Independent audit committee oversees integrity of financial statements and auditor independence
- Timely disclosure of material events

Regulated Investment Company (RIC)

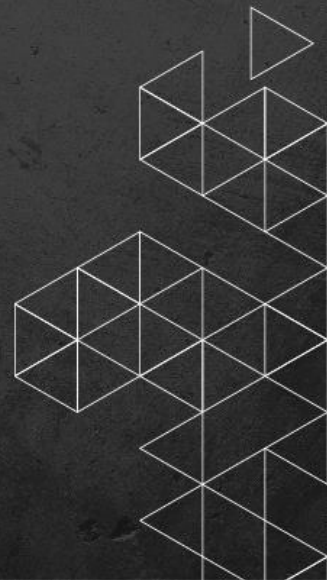
- Distribute taxable income as dividend distributions to shareholders
- Mandates asset diversification
- Eliminates corporate taxation
- Allows for the retention of capital gains and/or spillover of taxable income

Small Business Investment Company (SBIC)

- One Small Business Investment Company ("SBIC") license granted through the U.S. Small Business Administration ("SBA")
- Currently, \$175.0 million exemption from SEC leverage restrictions for BDCs, excludes all SBIC debt from BDC 2:1 leverage test

First Quarter 2023 Investor Presentation

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





Key Performance Highlights

Q1 2023 Highlights

Robust Earnings

- Net Investment Income (NII) of \$65.5M
- Total Investment Income of \$105.1M
- NII per share of \$0.48

Strong Shareholder Returns

- 1YR/3YR/5YR Total Shareholder Returns⁽¹⁾: -20.8%/121.3%/60.6%
- ROAE^(1,2): 18.8%
- ROAA^(1,2): 8.9%
- Net Interest Margin (NIM): 12.7%

High-Yield Portfolio of Earning Assets

- Total Debt Investments (at cost): \$2.97B
- Total Investments (at cost): \$3.15B
- Effective Yield: 15.1%

Industry-Leading Originations Platform

- \$16.1B in total net debt commitments since inception
- Annualized loss rate of 1.5 basis points
- Gross debt & equity commitments: \$526.0M⁽³⁾
- Gross debt & equity fundings: \$476.2M⁽³⁾

Strong Liquidity and Balance Sheet

- \$553.1M available liquidity (subject to existing terms and covenants)
- GAAP and regulatory leverage: 115.6% and 103.9%⁽⁴⁾

Strong Capital Raising Position

- Price-to-NAV: 1.22x⁽⁵⁾
- "ATM" Equity Distribution Program
- Investment Grade Credit Ratings:
Fitch: BBB- | Moody's: Baa3 | DBRS: BBB | KBRA: BBB+

(1) Source: S&P CapIQ as of 3/31/23

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

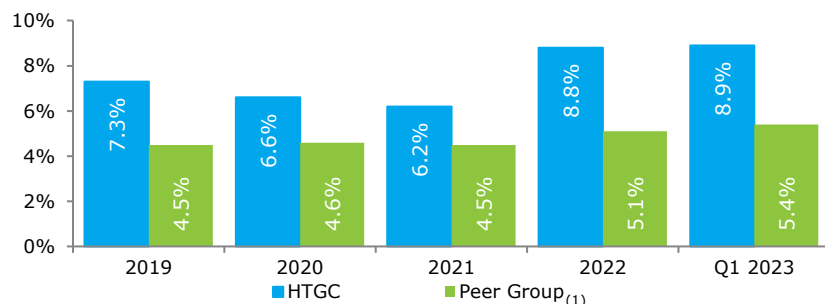
(3) Includes commitments and fundings during the quarter that were assigned to or directly committed or funded by the Adviser Funds which are external vehicles managed by Hercules Adviser LLC

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

(5) As of May 1, 2023

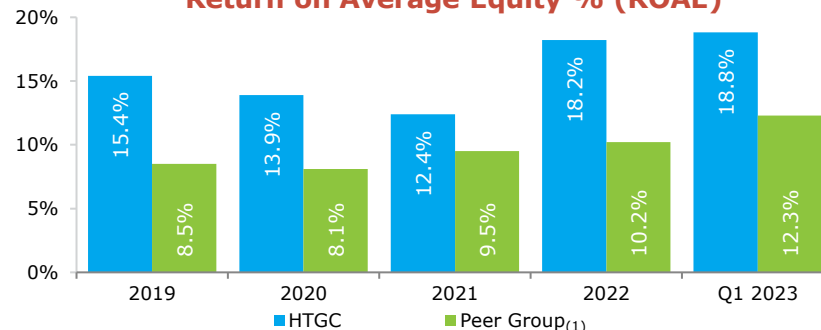
Delivering Strong Sustainable Shareholder Returns

Return on Average Assets % (ROAA)



Source: S&P Capital IQ as of 3/31/23 for HTGC and Peer Group. Return on Average Assets based on NII divided by average total assets.

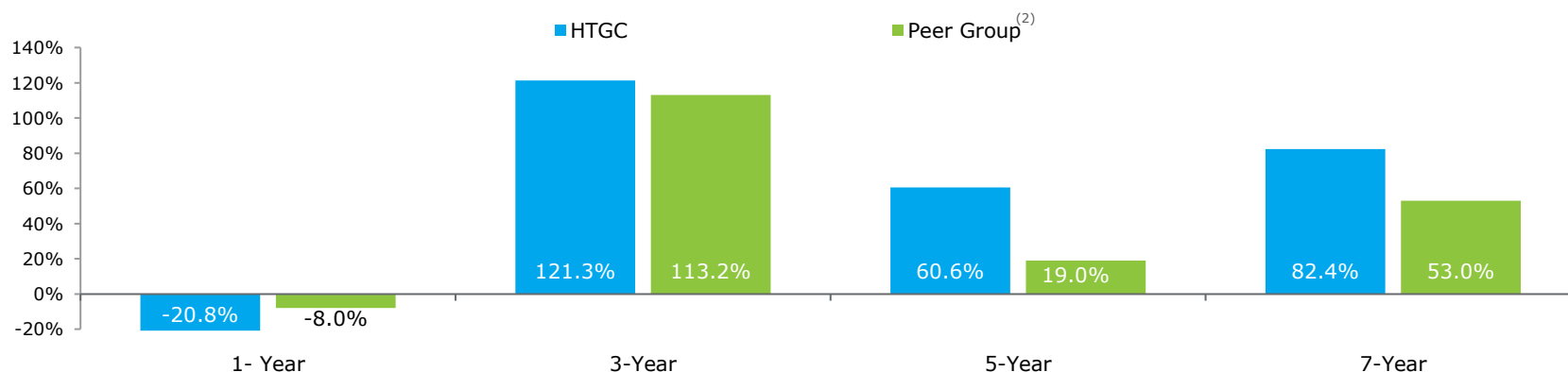
Return on Average Equity % (ROAE)



Source: S&P Capital IQ as of 3/31/23 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) Peer Group: MFIC, ARCC, BKCC, OCSL, FSK, GBDC, GSBD, MAIN, NMFC, ORCC, PNNT, PSEC, SLRC, BBDC, TCPC, CCAP, TSLX

Total Shareholder Return (TSR) vs. Select BDC Peer Group⁽¹⁾

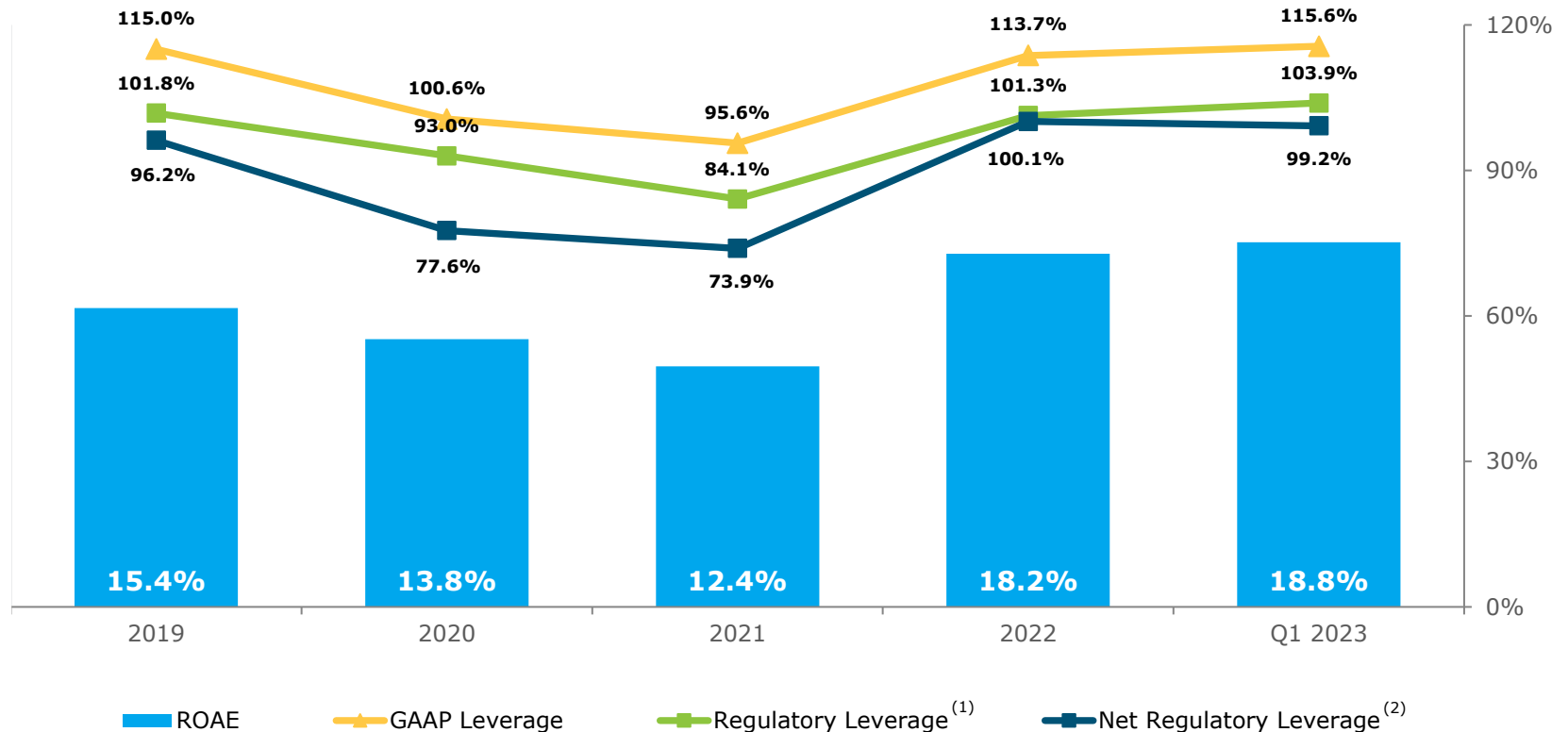


(1) TSR is defined as stock appreciation plus dividend distributions. Source: S&P Capital IQ as of March 31, 2023

(2) Peer Group: MFIC, ARCC, BKCC, OCSL, FSK, GBDC, GSBD, MAIN, NMFC, ORCC, PNNT, PSEC, SLRC, BBDC, TCPC, CCAP, TSLX

Available Leverage for Potential Earnings Growth

Leverage to Return on Average Equity % (ROAE)

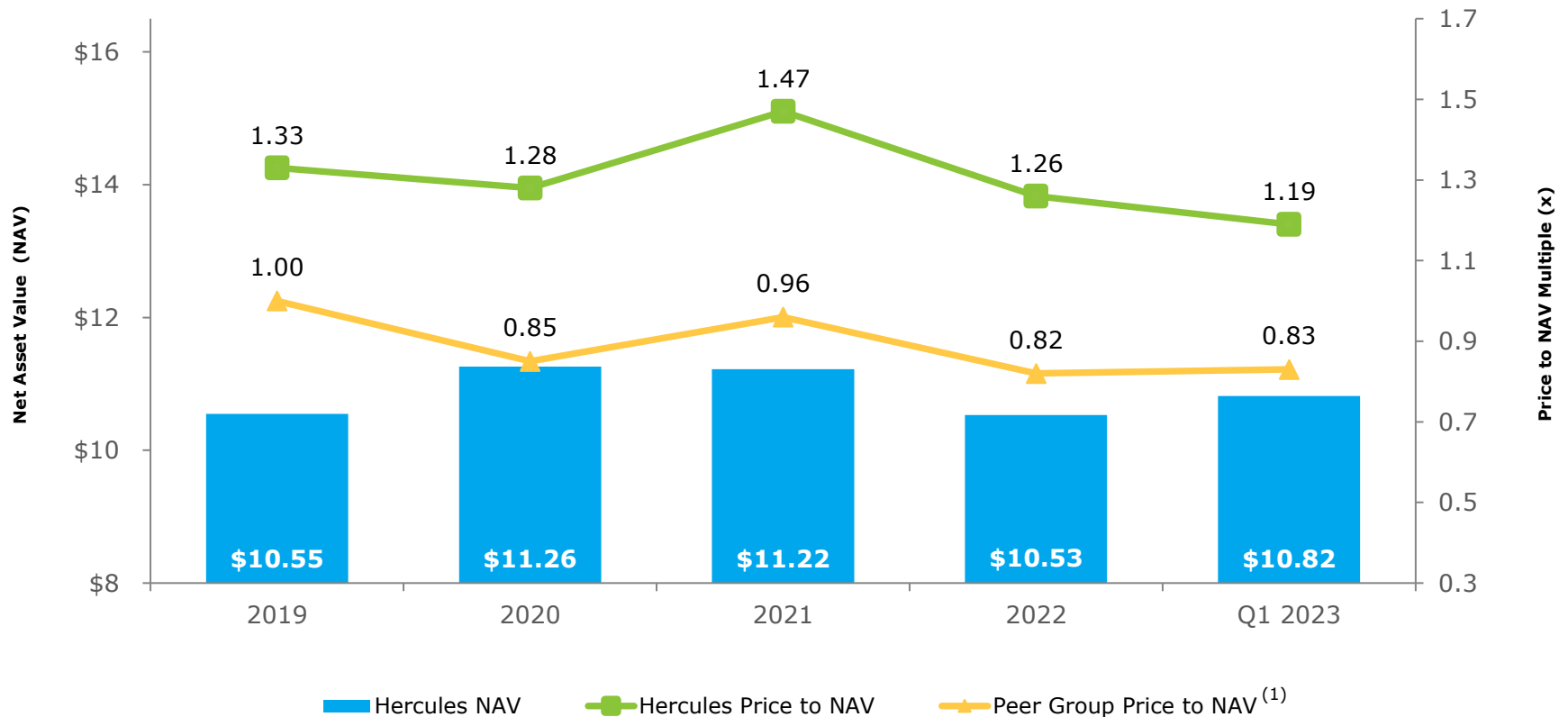


(1) Excludes SBA

(2) Excludes SBA and cash

Hercules Has Consistently Maintained a Premium to NAV

Creates a strong capital raising position to support growth

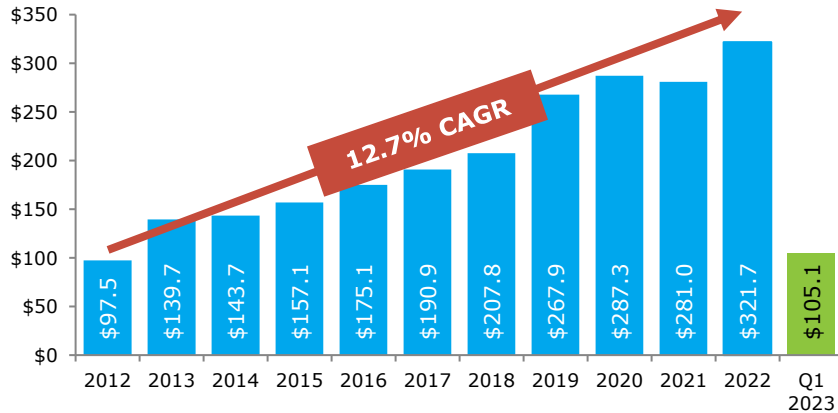


(1) Peer Group: MFIC, ARCC, BKCC, OCSL, FSK, GBDC, GSBD, MAIN, NMFC, ORCC, PNNT, PSEC, SLRC, BBDC, TCPC, CCAP, TSLX

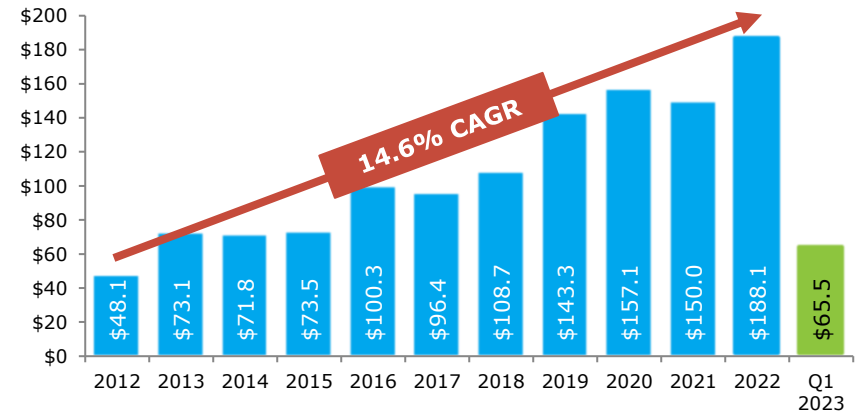
Price to NAV Source: S&P CapIQ as of 3/31/23 for HTGC and Peer Group. Stock price based on closing price on last trading day of each calendar year or relative quarter.

Hercules Key Performance Highlights

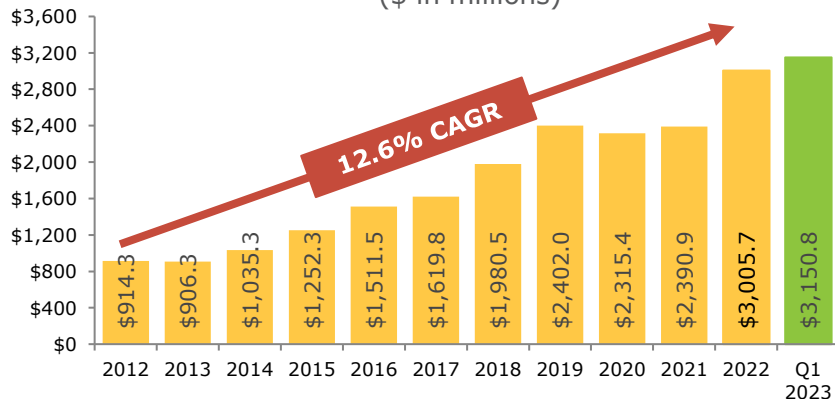
Total Investment Income
(\$ in millions)



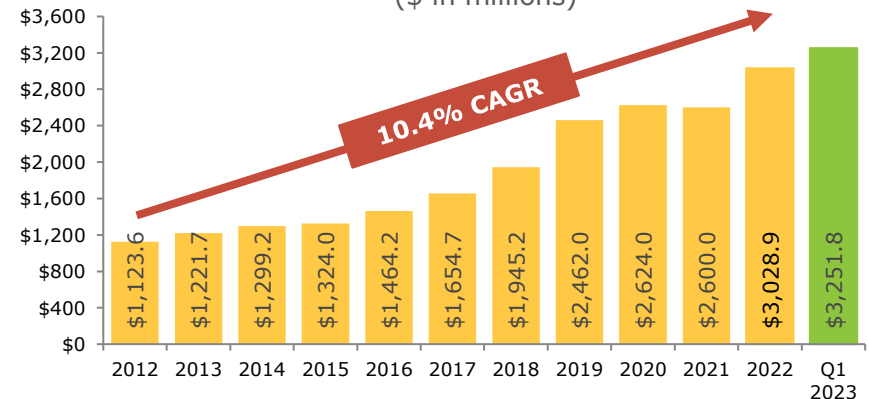
Net Investment Income "NII"
(\$ in millions)



Total Investments at Cost
(\$ in millions)

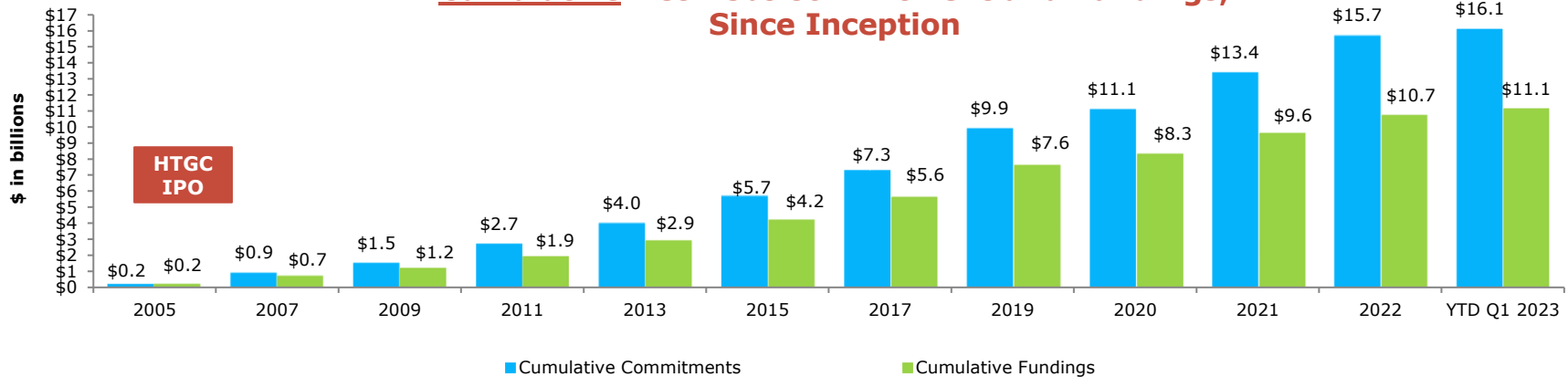


Total Assets
(\$ in millions)

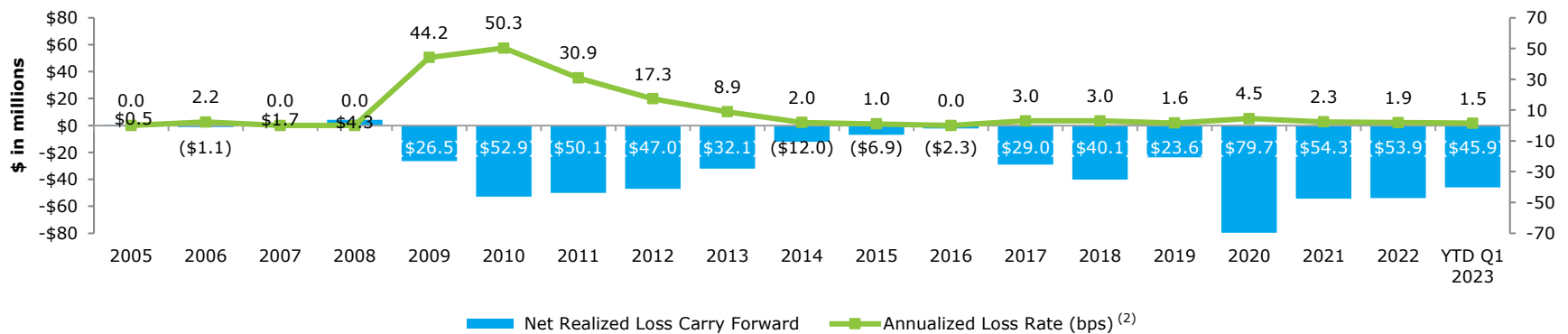


Portfolio Growth with Underwriting Discipline

Cumulative Net Debt Commitment and Fundings, Since Inception



Cumulative Total Aggregate Net Realized Gains/(Losses)⁽¹⁾, Since Inception



(1) Excludes losses on debt extinguishment and other non-credit related losses

(2) When compared to total net 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

\$1.87
BILLION

MARKET
CAPITALIZATION

FOUNDED DECEMBER 2003
IPO: June 2005 "HTGC"

ENTERPRISE VALUE
\$3.43 billion⁽¹⁾

MARKET CAPITALIZATION
\$1.87 billion⁽¹⁾

NET ASSET VALUE PER SHARE
\$10.82 as of 3/31/23

HISTORICAL PRICE/NAV
~1.1x to ~1.7x range

CURRENT PRICE/NAV
1.22x⁽¹⁾

\$2.97
BILLION

DEBT INVESTMENT
PORTFOLIO

DEBT INVESTMENTS COST BASIS
\$2.97 billion

DEBT INVESTMENTS FAIR VALUE
\$2.97 billion

EFFECTIVE YIELD
15.1%

DEBT INVESTMENTS IN
122 companies

SHORT TERM MATURITIES
36-48 months

INVESTMENT SIZE
\$5 to \$200 million

111
COMPANIES

WARRANT
PORTFOLIO

WARRANT HOLDINGS IN
111 companies

EQUITY HOLDINGS IN
74 companies

TOTAL WARRANT AND EQUITY
GAAP COST
\$175.5 million

TOTAL WARRANT AND EQUITY
FAIR VALUE
\$157.6 million

\$553.1
MILLION

LIQUIDITY & BALANCE
SHEET

AVAILABLE LIQUIDITY TO
INVEST⁽²⁾
\$553.1 million

GAAP LEVERAGE
115.6% / 103.9% ex. SBA

INVESTMENT GRADE RATINGS
Fitch: BBB-
Moody's: Baa3
DBRS: BBB
KBRA: BBB+

(1) Source for Enterprise Value and Market Capitalization is S&P Capital IQ, and Price/NAV are both based on ending stock price as of May 1, 2023

(2) Subject to existing terms and covenants

Why Hercules is Different from 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
- No crypto or cannabis exposure

Internally Managed

- Shareholder-aligned management structure
- Not incentivized to grow AUM for base fees
- Not subject to AFPE

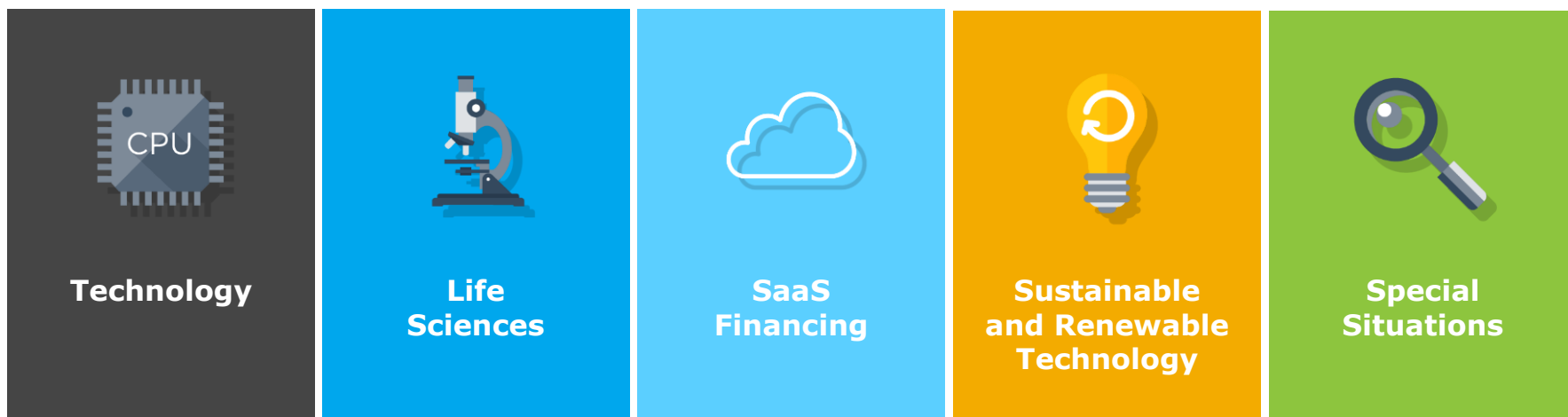
What We Do

- 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 – 95.6% floating rate loans and with interest rate floors⁽¹⁾
- We are generally the only lender and 81.5% are "true" first lien senior secured⁽¹⁾
- 16.5% of our debt investments are second position senior secured of which approximately 95% Hercules has the right to buy out the first lien holder⁽¹⁾
- The majority of our debt investments include warrants for potential additional total return
- Generally our debt investments have short term amortizing maturities (36-48 months)
- Focused on strong and sustainable shareholder returns
- Disciplined, proven investment philosophy with over 18 years of strong credit performance history

(1) As of March 31, 2023

We are at Center Stage of the Innovation Economy

Hercules has domain expertise in five specialized lending groups
“We are not generalists”



- We Invest at the Expansion “Venture Growth” and Established Stage
- \$16.1 billion in total net debt commitments to over 600 companies since inception
- Offices in key venture capital markets: CA | MA | NY | DC | CT | UK
- Over 1000 different VC & PE firms, financial investors
- Over 240 portfolio companies completed/announced an IPO or M&A event since inception



Financial Highlights

Income Statement:

Q1 2023 vs. Q1 2022 Summary Results

	Three Months Ended March 31,		
	2023	2022	Year/Year
<i>(\$ in 000's, except per share amounts)</i>	(unaudited)	(unaudited)	Change
Interest Income	\$ 99,897	\$ 62,252	60%
Fee Income	5,193	2,905	79%
Total Investment Income	105,090	65,157	61%
Interest and Loan Fees	18,954	13,489	41%
General and Administrative and Tax Expenses	5,513	4,530	22%
Employee Compensation	17,803	12,753	40%
Expenses Allocated to the Adviser Subsidiary	(2,679)	(1,402)	
Total Net Operating Expenses	39,591	29,370	35%
Pre-Tax Net Investment Income-NII	65,499	35,787	83%
Total Net Realized Gain (Loss) & Net Change in Unrealized Appreciation (Depreciation)	29,065	(39,123)	
Net Increase(Decrease) in Net Assets from Operations	94,564	(3,336)	-2935%
NII - Net Investment Income per Share (Basic)	\$ 0.48	\$ 0.30	60%
Weighted Average Shares Outstanding - Basic	135,252	118,296	14%

Current and Historical Income Statements

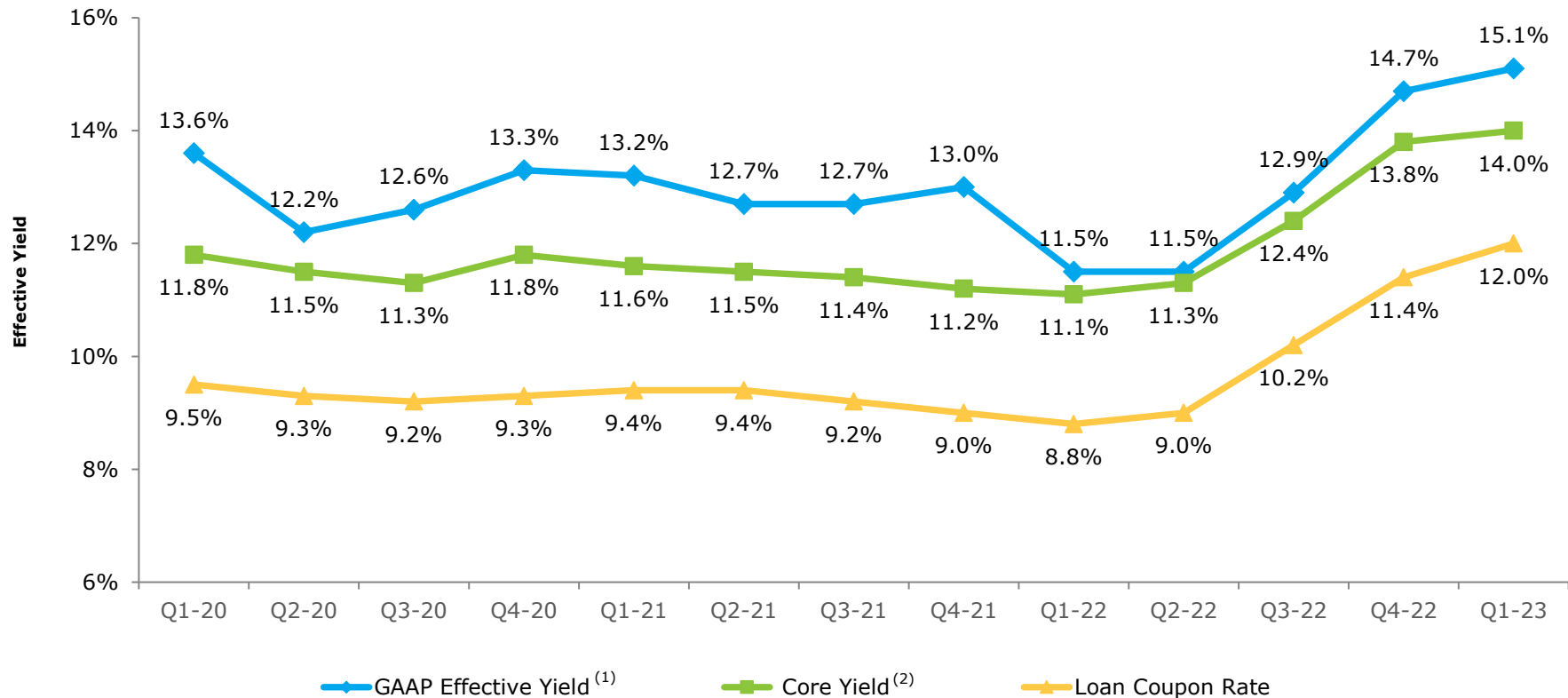
	Three Months ended March 31,	Twelve Months ended December 31,
<i>(\$ in 000's, except per share amounts)</i>	2023	2022
Interest Income	\$ 99,897	\$ 307,258
Fee Income	5,193	14,430
Total Investment Income	105,090	321,688
Interest and Loan Fees	18,954	62,707
General and Administrative and Tax Expenses	5,513	22,364
Employee Compensation	17,803	57,230
Expenses Allocated to the Adviser Subsidiary	(2,679)	(8,321)
Total Net Operating Expenses	39,591	133,620
Pre-Tax Net Investment Income-NII	65,499	188,068
Total Net Realized Gain (Loss) & Net Change in Unrealized Appreciation (Depreciation)	29,065	(85,987)
Net Increase(Decrease) in Net Assets from Operations	94,564	102,081
NII - Net Investment Income per Share (Basic)	\$ 0.48	\$1.48
Weighted Average Shares Outstanding - Basic	135,252	125,189

Current and Historical Balance Sheets

	March 31,	December 31,
<i>(\$ in 000's, except per share amounts)</i>	2023	2022
ASSETS		
Total Investments	\$ 3,130,178	\$ 2,963,955
Cash and cash equivalents	71,129	15,797
Restricted cash	7,819	10,079
Interest receivable	31,485	31,682
Right of use asset	4,350	4,986
Other assets	6,858	2,356
Total Assets	\$ 3,251,819	\$ 3,028,855
LIABILITIES		
Debt (net of debt issuance costs)	1,714,479	1,574,351
Accounts payable and accrued liabilities	33,368	47,539
Operating lease liability	4,966	5,506
Total Liabilities	\$ 1,752,813	\$ 1,627,396
Net Assets	\$ 1,499,006	\$ 1,401,459
Shares Outstanding	138,596	133,045
Net Assets per Share	\$ 10.82	\$ 10.53

Effective Yield vs. Core Yield – Leads to Strong Earnings

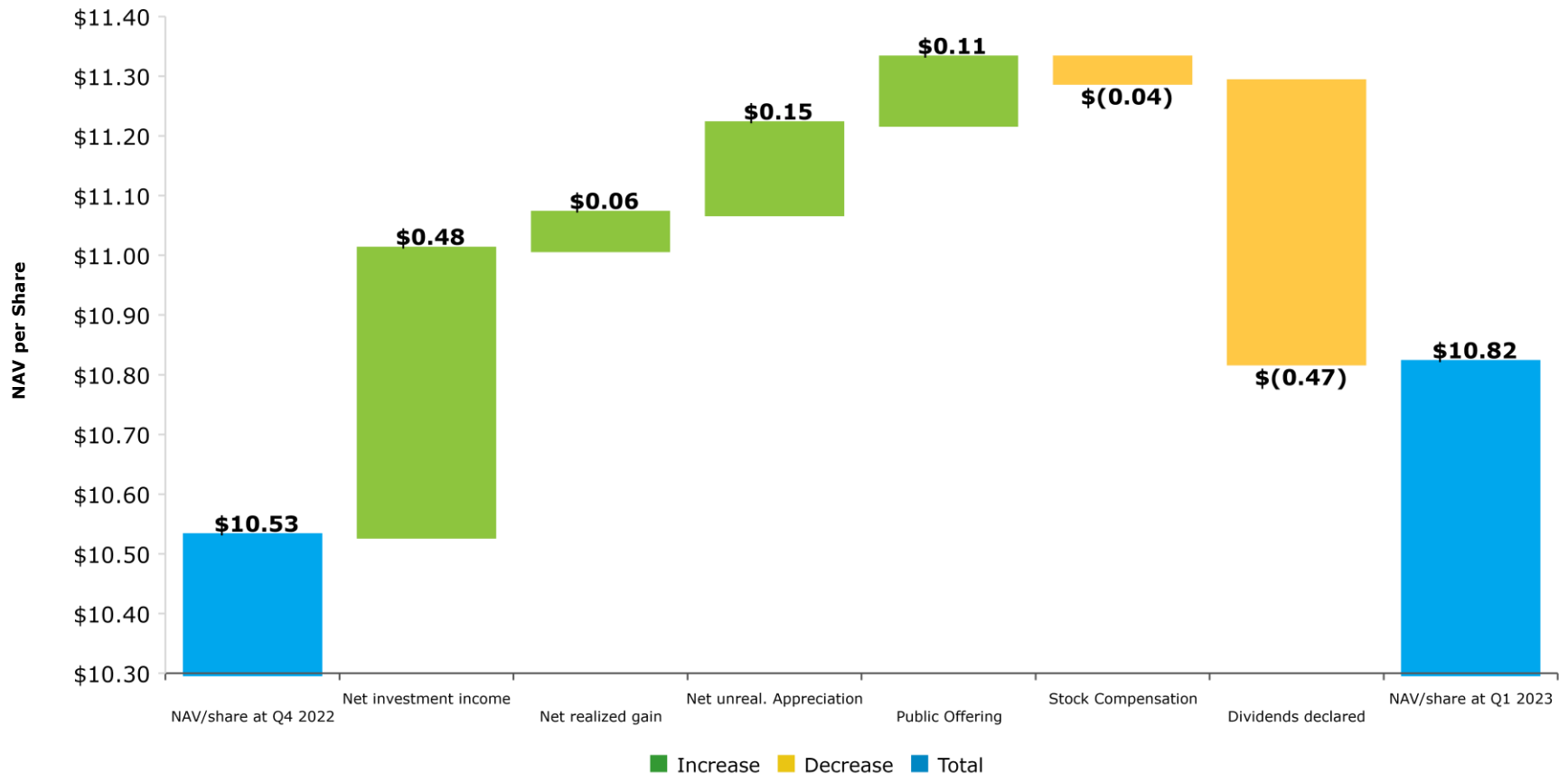
Median Core Yield of 11.5% (Q1 2020 – Q1 2023)



(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

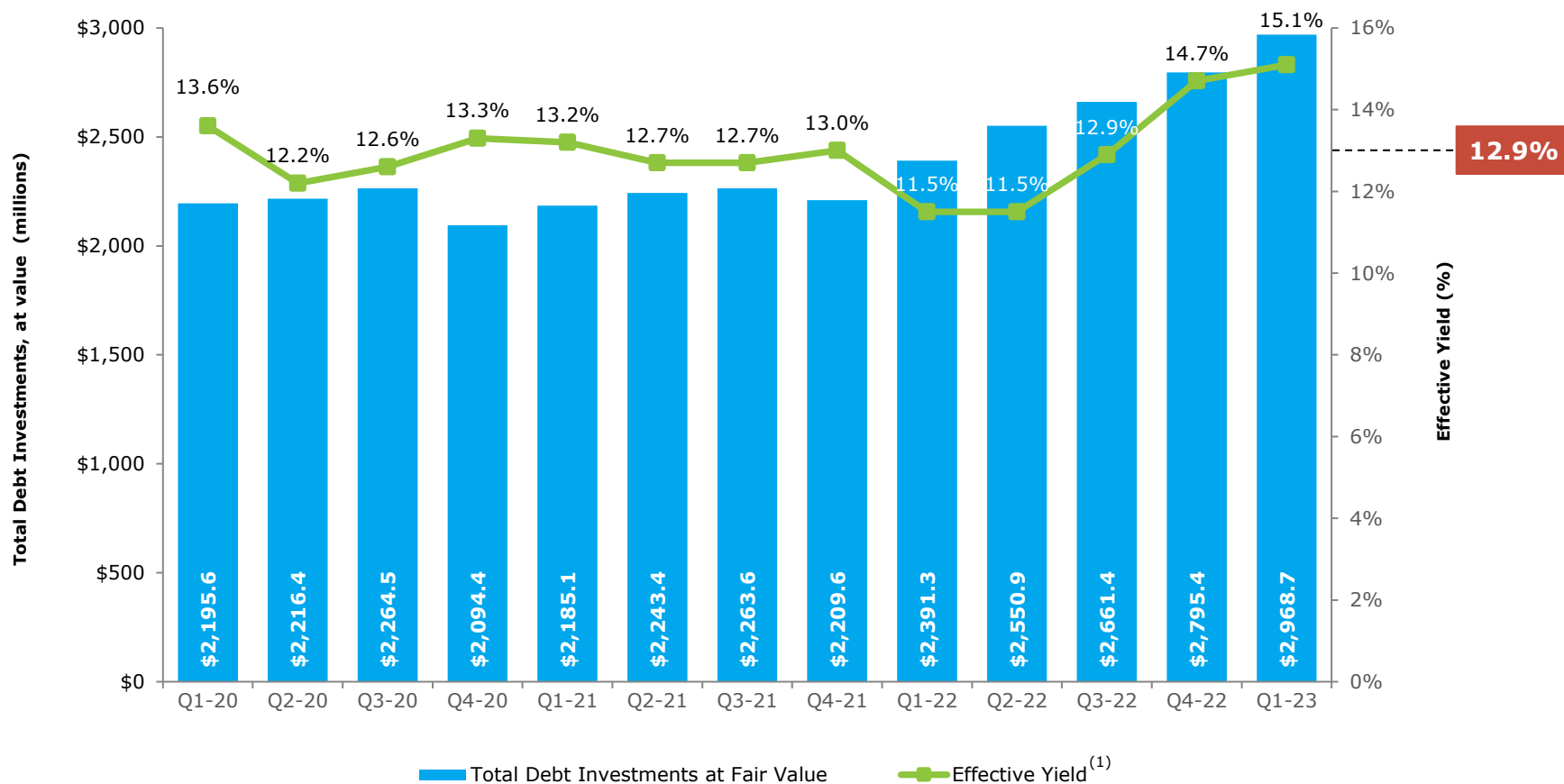
(2) Core Yield excludes Early Repayments and One-Time Fees, and includes income and fees from expired commitments

NAV Roll-Forward – Q1 2023



High-Yield Portfolio of Earning Assets

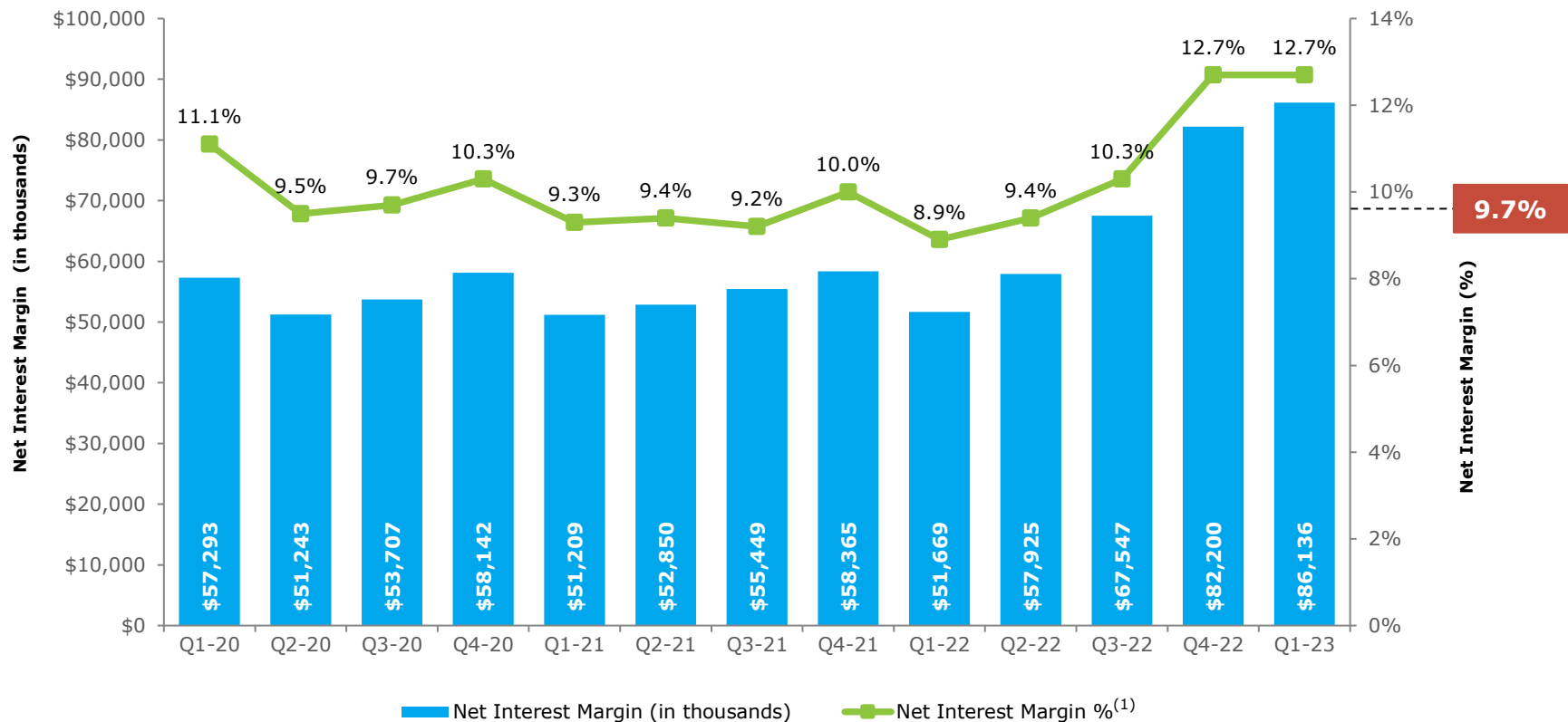
Median Effective Yield of 12.9% (Q1 2020 to Q1 2023)



(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 9.7% (Q1 2020 to Q1 2023)

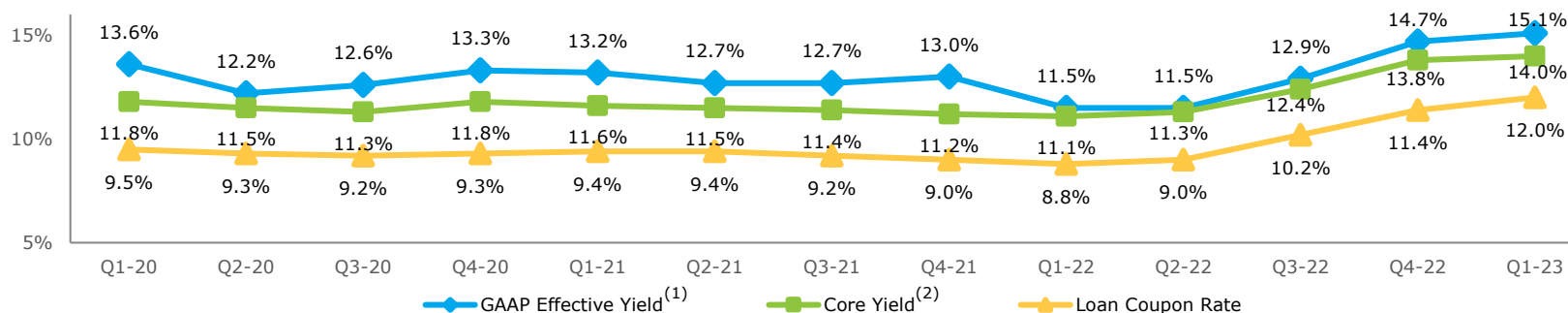


(1) Net Interest Margin % = Net Interest Income/Average Yielding Assets excluding Equity Investments

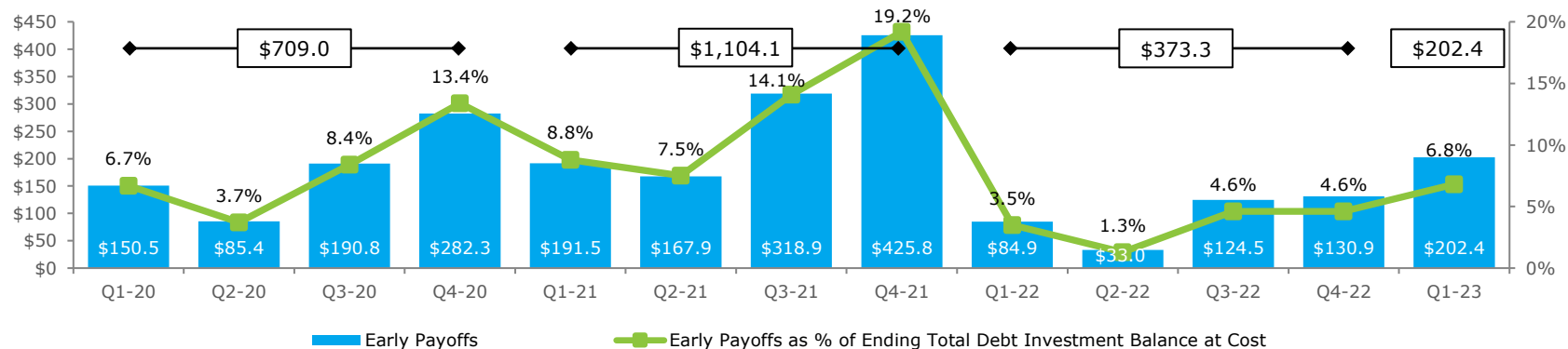
Impact of Early Payoffs on Effective Yields

Early Payoffs Lead to Higher Effective Yields and Earnings

Effective Yields



Unscheduled Early Payoffs (\$ in millions)

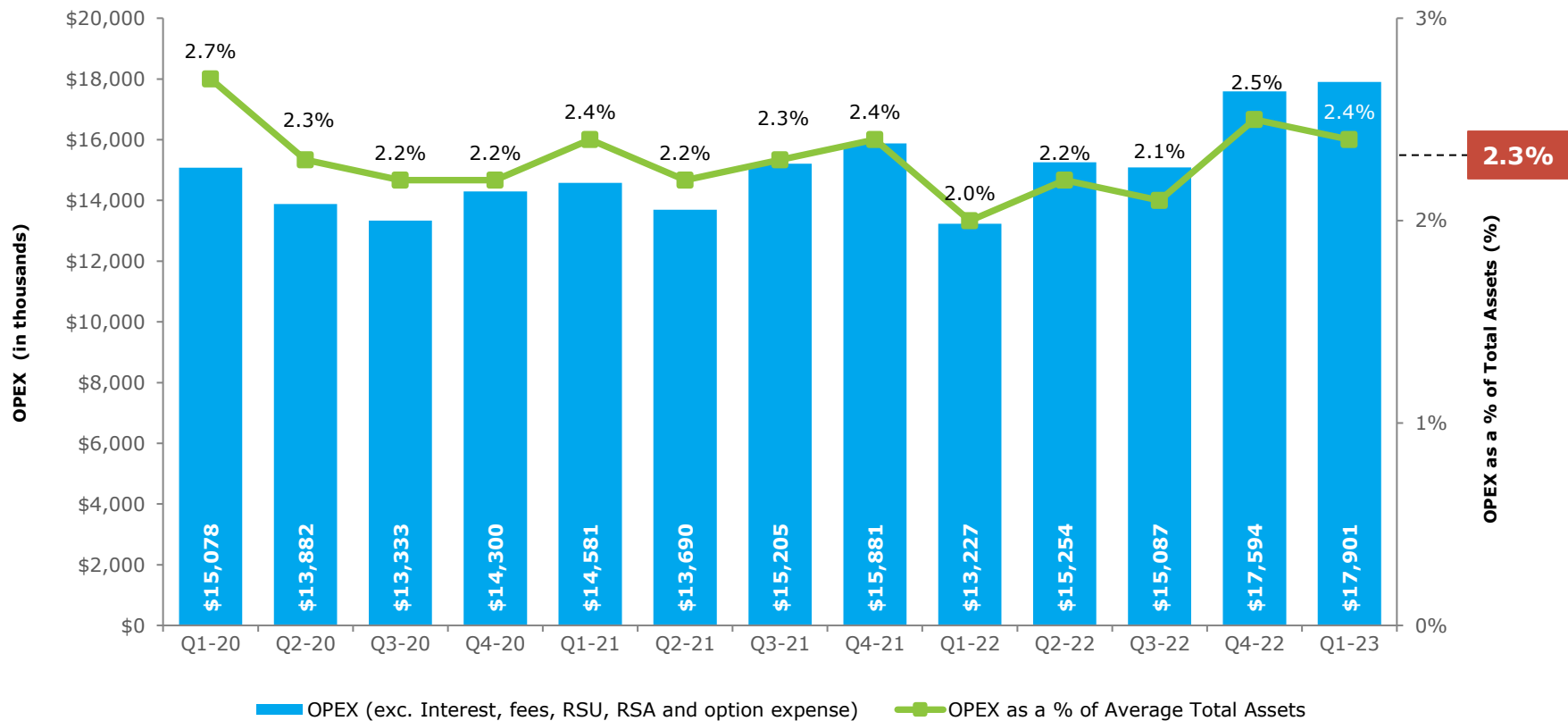


(1) Effective Yield is inclusive of all fees, including all realized unamortized fees and all realized transaction fees including but not limited to amendment fees and prepayment fees, and is calculated based on the weighted average principal balance of loans outstanding on a daily basis

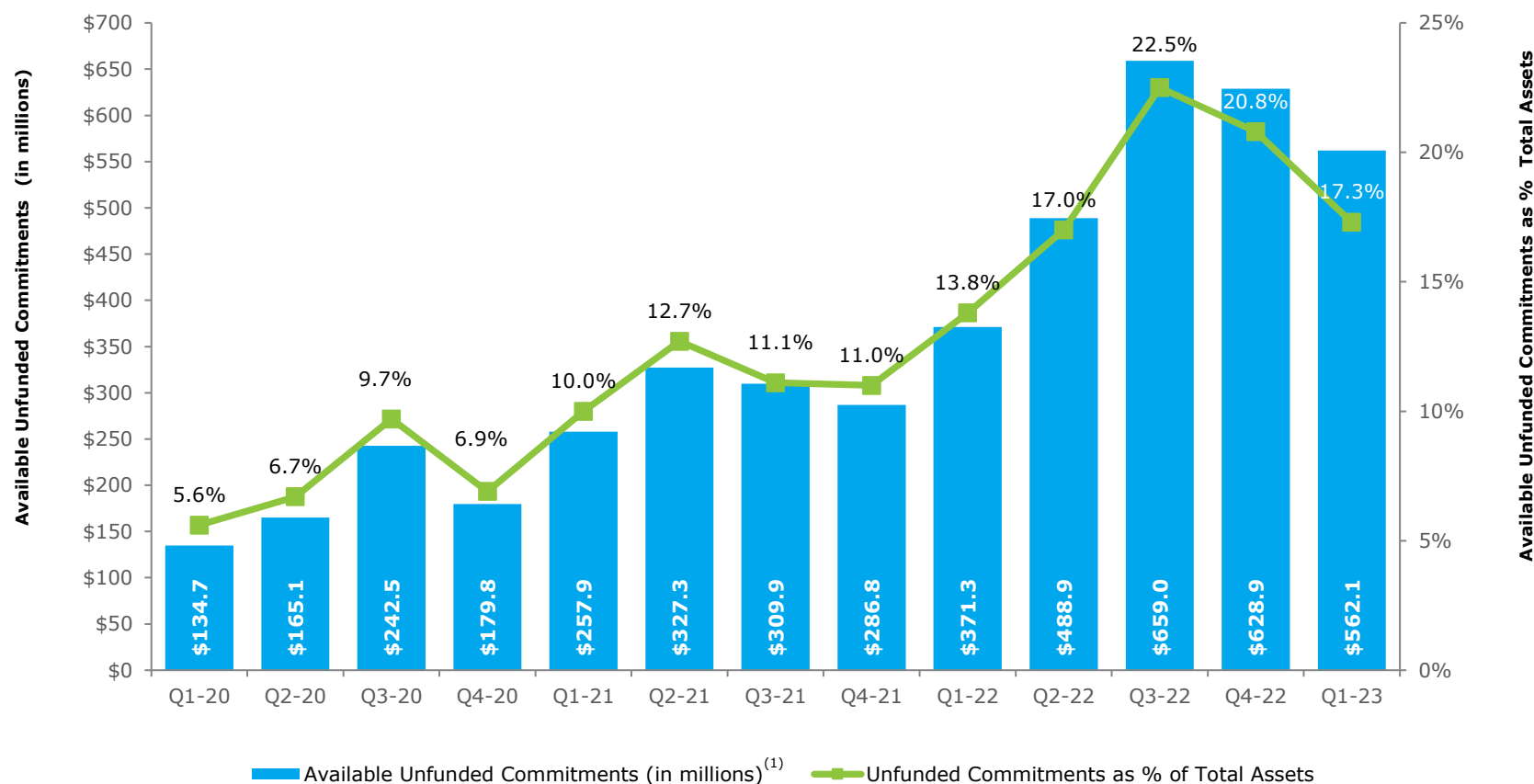
(2) Core Yield excludes Early Repayments and One-Time Fees, and includes income and fees from expired commitments

Non-Interest and Fee Expense to Average Total Assets

**Median adjusted OPEX to average total assets of 2.3%
(Q1 2020 to Q1 2023)**



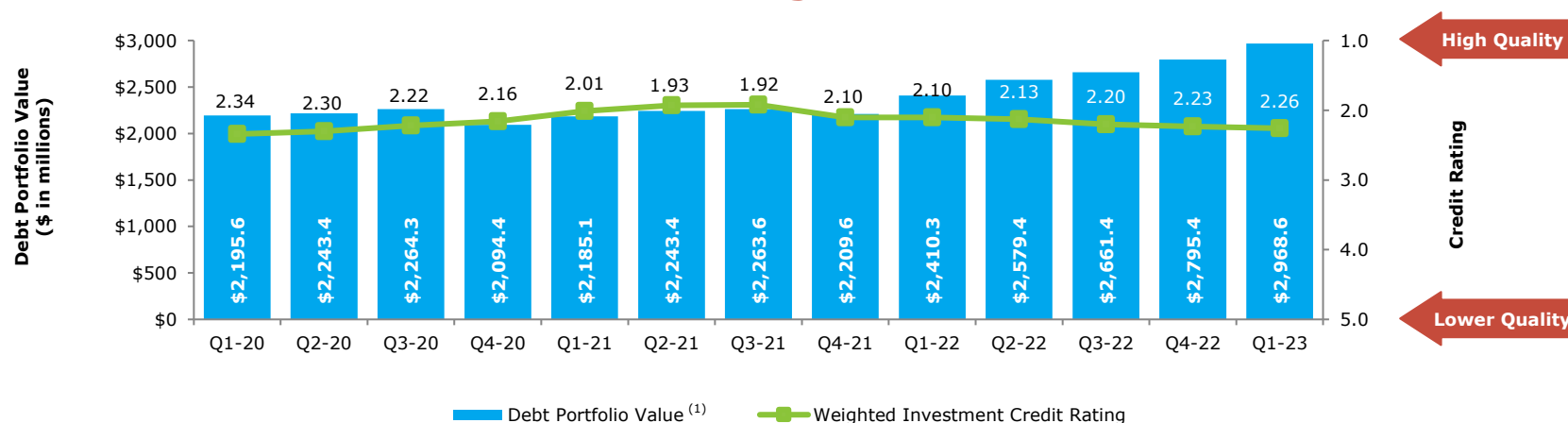
Unfunded Commitments as a Percentage of Total Assets



(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

Our disciplined credit underwriting standards have delivered consistent long-term results



Credit Grading (at Fair Value), Q1 2023 - Q1 2022 (\$ in millions)

	Q1 2023		Q4 2022		Q3 2022		Q2 2022		Q1 2022	
Grade 1 - High	\$ 590.4	19.9%	\$ 549.1	19.6%	\$ 412.1	15.5%	\$ 484.0	19.0%	\$ 469.0	19.6%
Grade 2	\$ 1,184.9	39.9%	\$ 1,171.6	41.9%	\$ 1,380.4	51.9%	\$ 1,312.2	51.4%	\$ 1,280.3	53.6%
Grade 3	\$ 1,100.0	37.1%	\$ 1,015.2	36.3%	\$ 827.4	31.1%	\$ 739.8	29.0%	\$ 631.8	26.4%
Grade 4	\$ 92.3	3.1%	\$ 57.8	2.1%	\$ 41.5	1.5%	\$ 13.0	0.5%	\$ 10.2	0.4%
Grade 5 - Low	\$ 1.2	0.0%	\$ 1.7	0.1%	\$ -	0.0%	\$ 1.8	0.1%	\$ -	0.0%
Weighted Avg. (at Cost)	2.26		2.23		2.20		2.13		2.10	

(1) Debt only; based on fair value

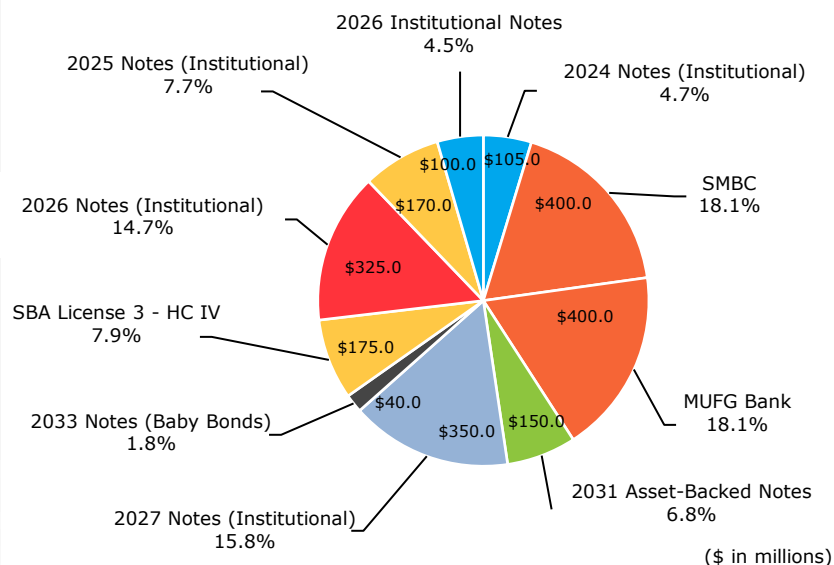
Diversified Sources of Funding: Q1 2023

Entity Capitalization

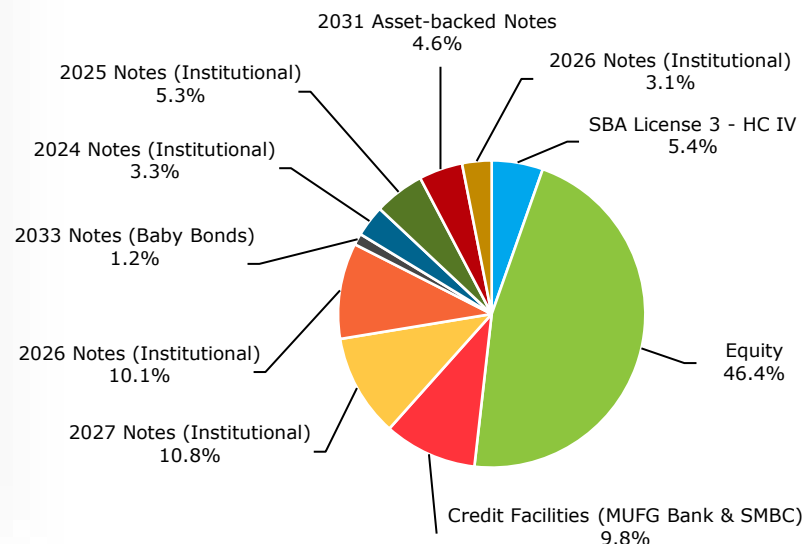
Capital Sources as of 3/31/23

	\$ in Millions	% of Total
Equity	\$1,499.0	46.4%
SBA License 3 – HC IV	\$175.0	5.4%
January 2027 Notes (Institutional)	\$350.0	10.8%
July 2024 Notes (Institutional)	\$105.0	3.3%
September 2026 Notes (Institutional)	\$325.0	10.1%
October 2033 Notes (Baby Bonds)	\$40.0	1.2%
February & June 2025 Notes (Institutional)	\$120.0	3.7%
June 2025 Notes (Institutional)	\$50.0	1.6%
March 2026 Notes (Institutional)	\$100.0	3.1%
July 2031 Asset-backed Notes	\$150.0	4.6%
Credit Facilities (MUFG Bank & SMBC)	\$318.0	9.8%
Total Capital	\$3,232.0	100.0%

Debt Capital Stack



Total Corporate Capitalization

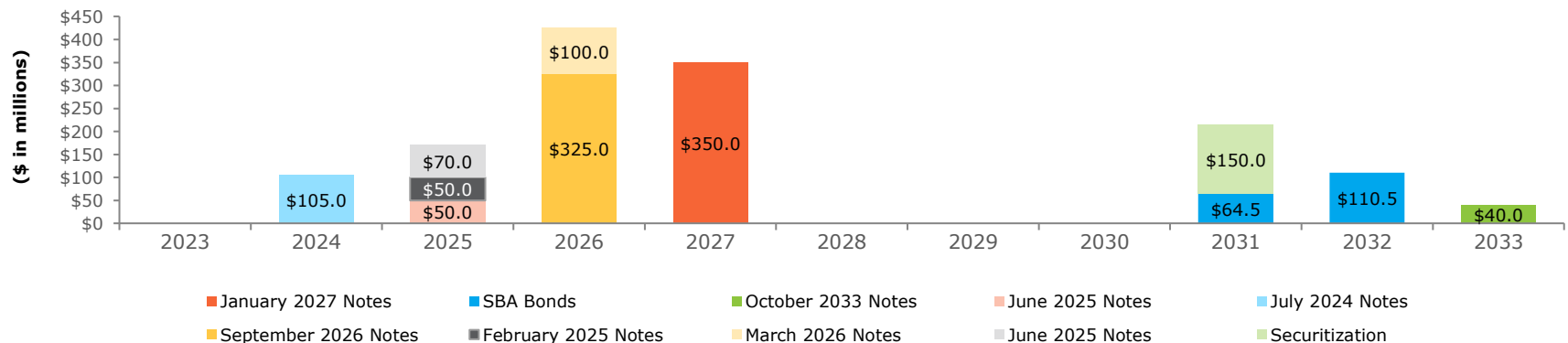


Diversified Sources of Funding: Q1 2023

	Notes											SBA Debenture	
	SMBC LOC Facility	SMBC Credit Facility	MUFG Bank Credit Facility	January 2027 Inst. Notes	Sept. 2026 Inst. Notes	October 2033 Retail Notes	July 2024 Inst. Notes	February 2025 Inst. Notes	June 2025 Inst. Notes	March 2026 Inst. Notes	June 2025 Inst. Notes	License 3 HC IV	Securitization
DATE ENTERED	Feb. 2023	Nov. 2021	Feb. 2020	Jan. 2022	Sept. 2021	Oct. 2018	July 2019	Feb. 2020	June 2020	Nov. 2020 March 2021	June 2022	March 2021	June 2022
FACILITY SIZE (\$ in millions)	\$175.0	\$225.0	\$400.0	\$350.0	\$325.0	\$40.0	\$105.0	\$50.0	\$70.0	\$100.00	\$50.0	\$175.0	\$150.00
INTEREST RATE	SOFR + 145 bps	SOFR + 187.5 bps	SOFR + 260 bps	3.375% Unsecured	2.625% Unsecured	6.25% Unsecured	4.77% Unsecured	4.28% Unsecured	4.31% Unsecured	4.50%/4.55% Unsecured	6.00% Unsecured	2.61% ⁽¹⁾	4.95%
MATURITY	January 2026	November 2026	January 2027	January 2027	September 2026	October 2033	July 2024	February 2025	June 2025	March 2026	June 2025	Mature 10 years after borrowing	July 2031
ADDITIONAL INFO	(Expandable up to \$400.0)	(Expandable up to \$500.0)	(Expandable up to \$600.0)	Moody's: Baa3 KBRA: BBB+	Moody's: Baa3 KBRA: BBB+	NYSE: HCXY DBRS: BBB KBRA: BBB+	KBRA: BBB+	KBRA: BBB+	KBRA: BBB+	KBRA: BBB+	KBRA: BBB+	Rate set in March 2022	
OUTSTANDING (\$ in millions)	\$0.0	\$197.0	\$121.0	\$350.0	\$325.0	\$40.0	\$105.0	\$50.0	\$70.0	\$100.00	\$50.0	\$175.0	\$150.00

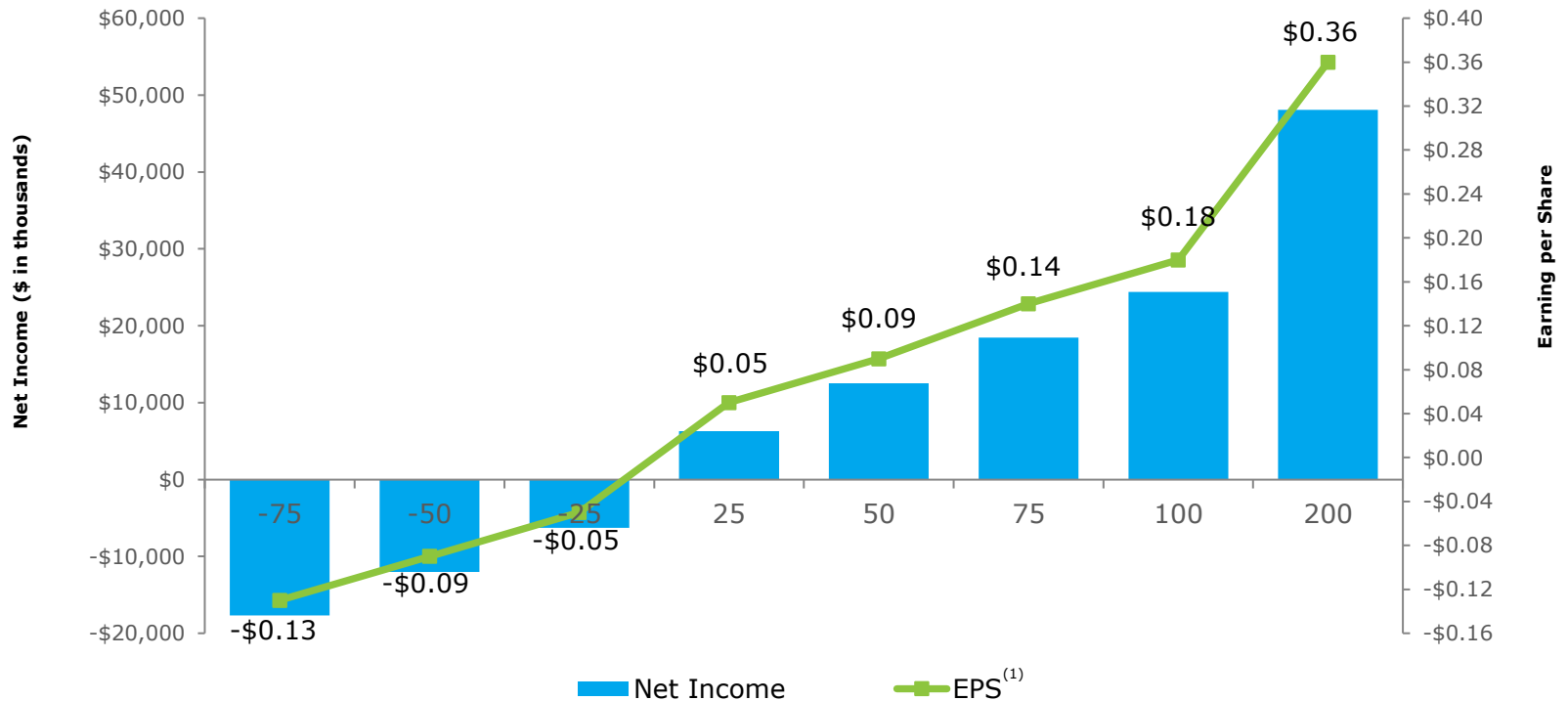
(1) Interest rate range for the SBA debentures does not include annual fees

Well-Managed Debt Maturity Schedule



Interest Rates & Asset Sensitivity

Basis Point Movement in Prime Rate



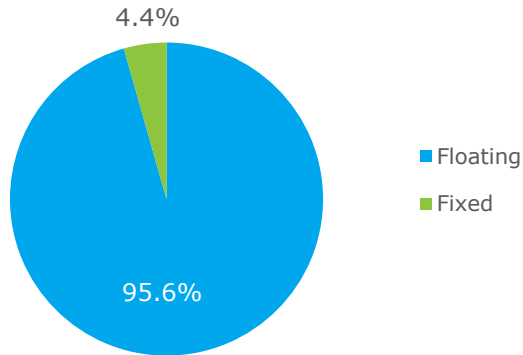
(1) EPS calculated on basic weighted shares outstanding of 134.3 million and a static debt investment portfolio as of March 31, 2023.
Estimates are also subject to change due to impact from potential participation in the Company's equity ATM program and future equity offerings.



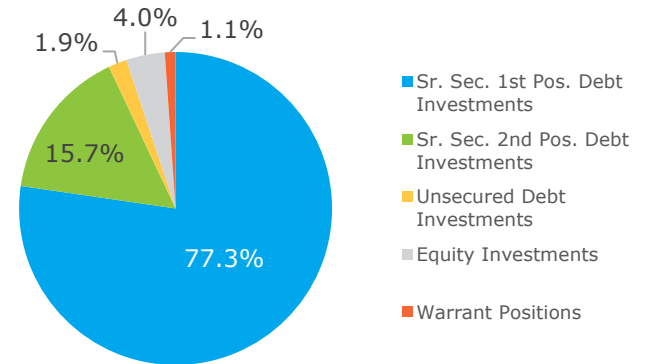
Portfolio Highlights

Hercules' Investment Portfolio: Q1 2023

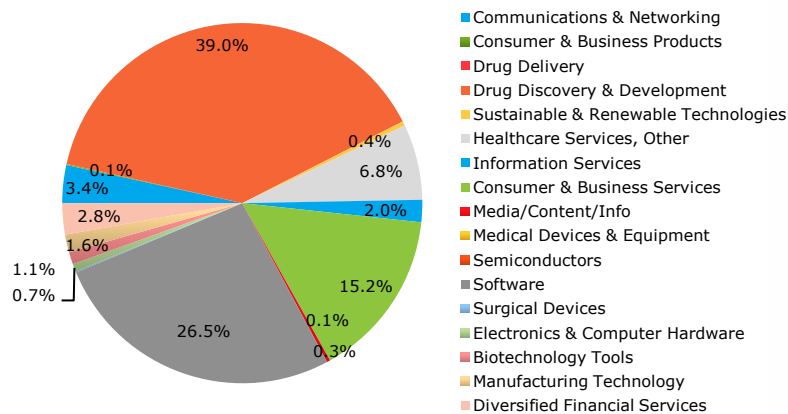
Floating vs. Fixed Rate



Investment Type Breakout

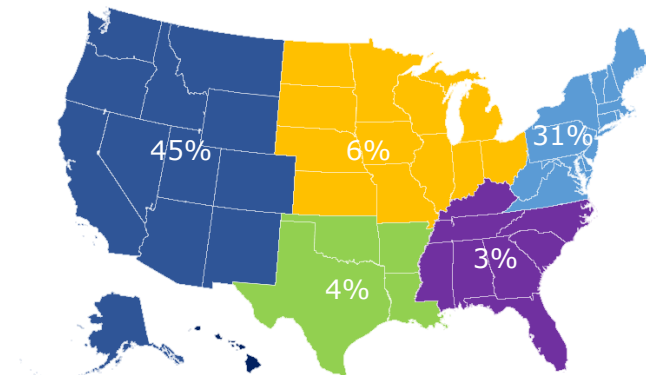


Industry Breakout



Percentage of Portfolio Companies by Region

(Portfolio Companies as of December 31, 2022)



International: 11%

Hercules' Warrant & Equity Portfolio: Potential Future Upside for Shareholder's Total Return

2 Portfolio Companies filed for Initial Public Offering – YTD 2023

- Two Confidential S-1 Filers

6 Portfolio Companies announced/completed M&A Liquidity Events – YTD 2023

- Provention Bio, Inc.
- Oak Street Health
- Logicworks
- Concert Pharmaceuticals, Inc.
- Albireo Pharma, Inc.
- IVERIC Bio, Inc.

Current Warrant & Equity Portfolio – Q1 2023

- 111 warrant holdings
 - GAAP fair value: \$33.2 million
 - GAAP cost: \$31.7 million
 - \$74.3 million in nominal Exercise Value (as of 3/31/23)
- 74 equity holdings
 - GAAP fair value: \$124.4 million
 - GAAP cost: \$143.8 million

-
- Illustrative models of potential warrant gains (as of 3/31/23)
 - Assumption: 50% of warrants will not monetize
 - GAAP cost: \$15.8 million
 - Based on 135.2 million weighted average shares

\$37.2M x 2X multiple: \$74.4M - \$15.8M cost =
\$58.6M unrealized gain = **\$0.43/share**

\$37.2M x 3X multiple: \$111.6M - \$15.8M cost =
\$95.8M unrealized gain = **\$0.71/share**

\$37.2M x 4X multiple: \$148.8M - \$15.8M cost =
\$133.0 unrealized gain = **\$0.98/share**

Select List of Warrant and Equity Portfolio Holdings

Technology

 Palantir

 DOORDASH

 fuze

 908devices

 lyft

 lightspeed

 Nextdoor

 23andMe

 Couchbase

 IMPOSSIBLE

 sprinklr

 Thumbtack

 dashlane

 Postmates

 docker

Life Sciences

 bridgebio

 Valo

 Phathom
PHARMACEUTICALS

 uniQure

 bicycle
therapeutics

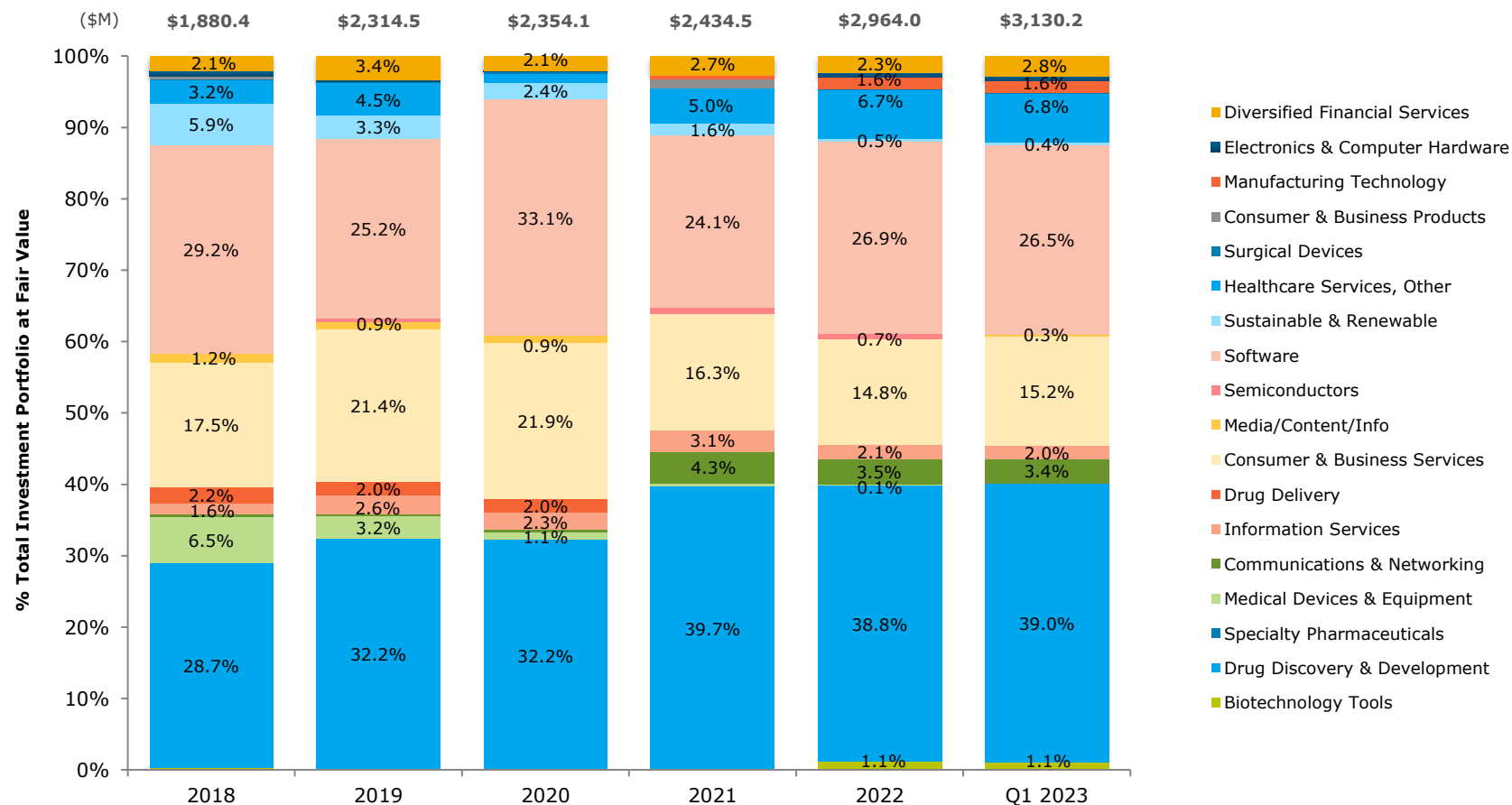
 Albireo

 tarsus

 CHEMOCENTRYX

 CENTURY
THERAPEUTICS

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
&
Private Equity
Firms



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
San Diego
Westport
London

Primarily Invest at Stages of High Growth

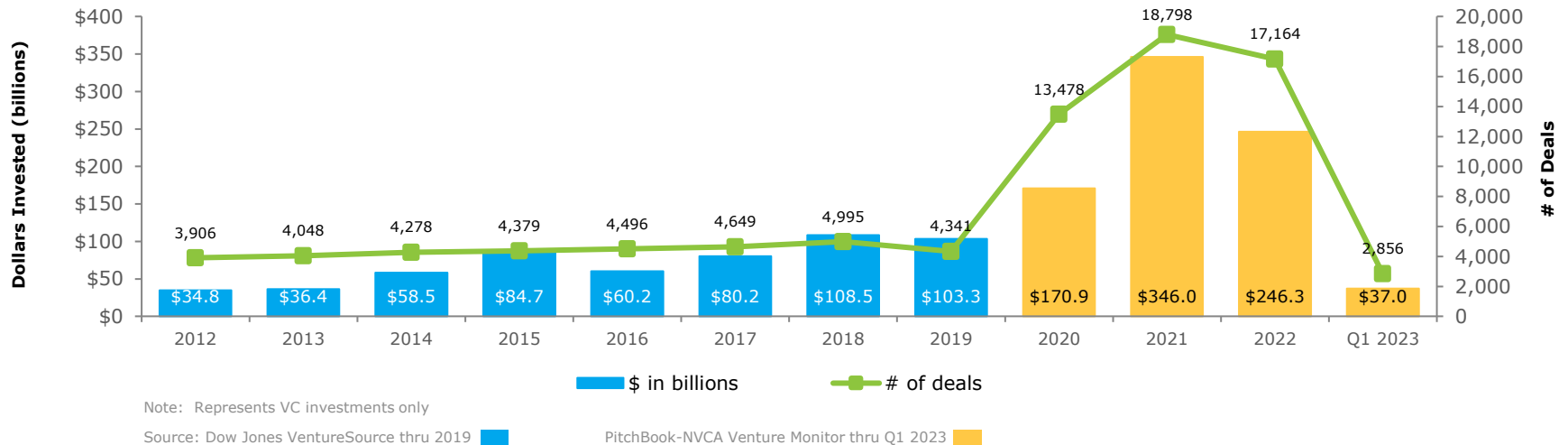
	Expansion Stage	Established
Type of Company	Follow-on Rounds of Growth Capital (Series B-Liquidity Event)	Private Late Stage/ Select Public Companies
Equity Capital Provider	Venture Capital/ Private Equity	Public Markets/ Private Equity
Expectation for Additional Sponsor Support	1-3 Additional Rounds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



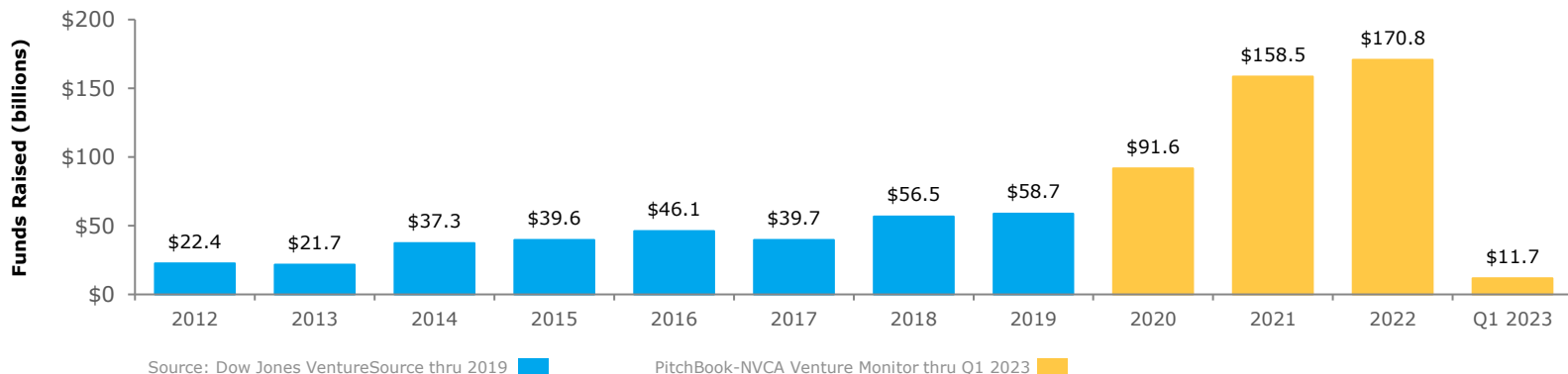
Venture Capital Market Opportunity

Over \$1.9 Trillion in VC Investments Since 1997

Venture Capital Investment Activity 2012 – Q1 2023

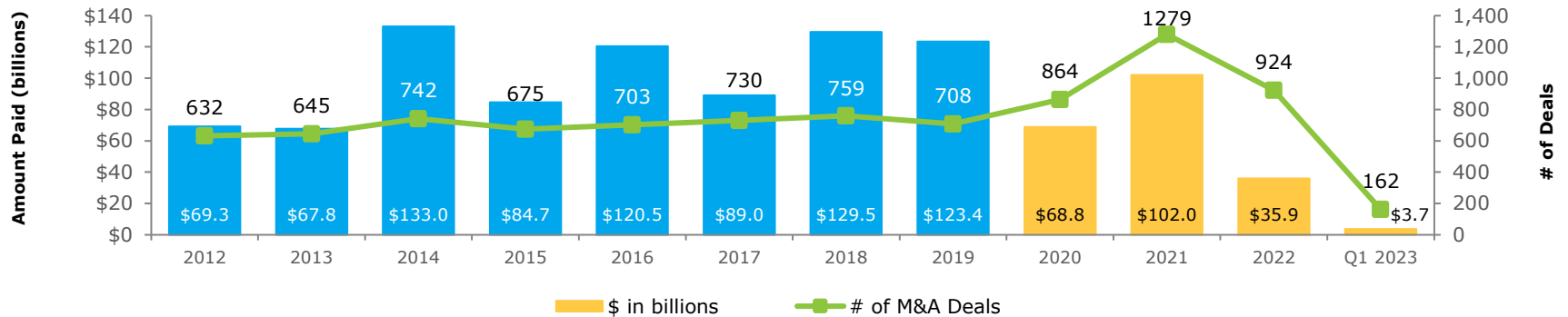


Venture Capital Fundraising Activity 2012 – Q1 2023

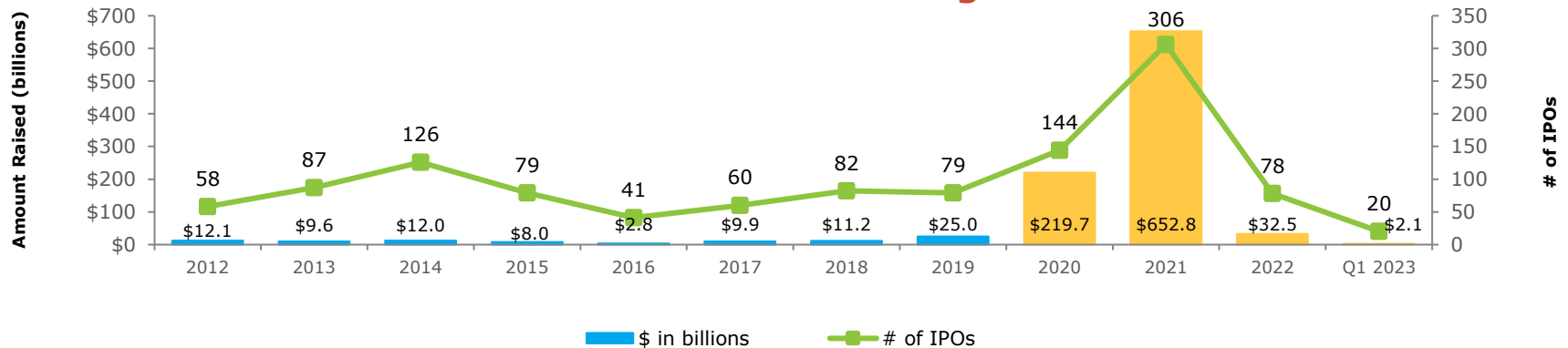


Exits of Venture Capital-Backed Companies

Mergers & Acquisitions

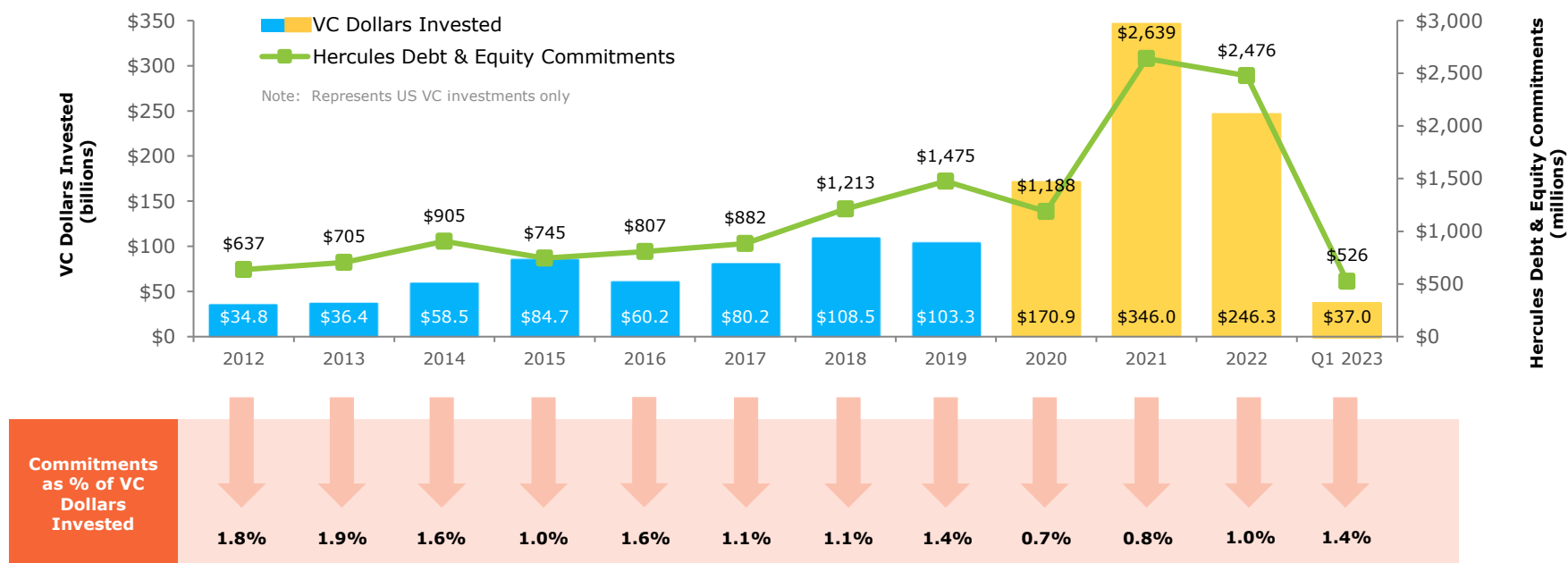


Initial Public Offerings



Hercules' Total Commitments vs. VC Dollars Invested

Venture Capital Investment Activity 2012 – Q1 2023

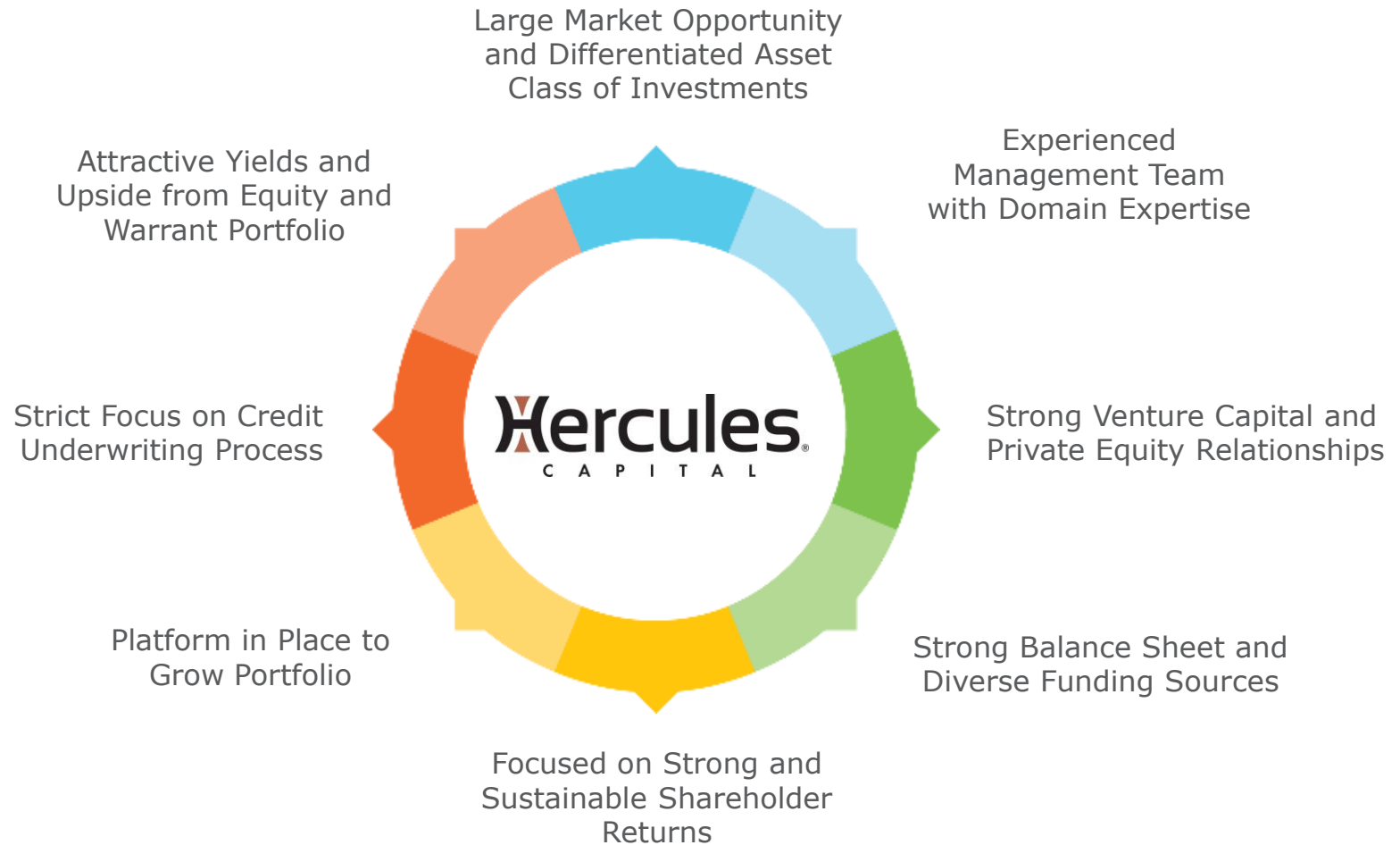


- Hercules' uncompromising yield and credit underwriting standards drive commitments
- Market conditions determine commitment activity more than pure VC investment activity
- Hercules' 12-year historical average participation rate: 1.3%

Source: Dow Jones VentureSource thru 2019

PitchBook-NVCA Venture Monitor thru Q1 2023

Investment Highlights





Analyst Coverage

Broad Industry Analyst Coverage



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

PIPER | SANDLER

Crispin Love
Re-initiated Coverage
7/20/2020



Casey Alexander
Initiated Coverage
6/23/15



Mitchel Penn
Initiated Coverage
4/27/2021



Christopher Nolan
Initiated Coverage
11/20/2017

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.