



Financing the Growth of Tomorrow's Companies Today

Q4 2023 INVESTOR PRESENTATION

February 15, 2024

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

Investment Options

HTGC
LISTED
NYSE - Common Stock

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⁾

9.6% as of December 31, 2023

Distributions Declared

\$0.40 per share base for Q4 2023
\$0.08 per share supplemental for Q4 2023

Price to NAV

1.51x - February 9, 2024
1.1x to 1.7x historical range

(1) Annualized based on the \$0.40 base distribution declared for Q4 2023 and a closing stock price of \$16.67 as of December 31, 2023

We are HTGC: a Publicly Traded, Internally Managed BDC

Highly Regulated | Financially Efficient | Uniquely Transparent

As a business development company, or BDC, we invest mostly in smaller US businesses and do so under the stringent oversight of federal regulators and an independent board of directors.

Established by Congress more than 40 years ago, BDCs are subject to various federal securities regulations that are designed to mitigate risk and protect stockholders' best interests. Among other things, BDCs have:

- An independent, stockholder-elected board of directors that have a duty to protect and act in stockholders' best interests
- A minimum asset-to-leverage ratio of 2:1
- A comprehensive, thorough and consistent process for fair valuing portfolio investments
- A rigorous compliance program designed to prevent violations of the securities laws, identify and mitigate conflicts of interest and ensure that the company is acting in stockholders' best interests

No management fee means a more efficient and transparent return on investment.

Most BDCs are *externally managed*, meaning they pay an investment management fee to a separate investment adviser. These fees can range from 1.00% – 2.00% of the BDC's total assets under management, plus 15% - 20% of the BDC's net investment income. By contrast, **HTGC does not pay an investment management fee to anyone.** As an *internally managed* BDC, HTGC pays only its actual operating costs and nothing more – maximizing investment returns and providing a unique level of transparency to stockholders.

Our NYSE listing provides daily liquidity and enhanced corporate governance.

HTGC trades on the New York Stock Exchange, or NYSE, giving stockholders daily liquidity and further enhancing regulatory oversight. As a public company listed on the NYSE, HTGC must publicly disclose material financial and information on an annual, quarterly and ad hoc basis. NYSE rules require HTGC to have independent audit and compensation committees that adhere to strict governance standards. HTGC must also hold an annual stockholder meeting to elect directors.

HTGC receives preferential tax treatment and additional oversight from Rating Agencies.

HTGC qualifies as a regulated investment company, or RIC, by satisfying portfolio diversification and minimum distribution requirements. As a RIC, HTGC eliminates corporate-level taxation while retaining capital gains and/or a spillover of taxable income.

In addition to oversight by its independent board, the SEC and NYSE, HTGC and our debt securities are regularly diligenced and assessed by multiple rating agencies that impose high standards with respect to operational and financial stability.

Fourth Quarter 2023 Investor Presentation

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





Key Performance Highlights

Q4 2023 Highlights

Robust Earnings

- Net Investment Income (NII) of \$86.0M
- Total Investment Income of \$122.6M
- NII per share of \$0.56

Strong Shareholder Returns

- 1YR/3YR/5YR Total Shareholder Returns⁽¹⁾: 38.0% / 45.1% / 112.4%
- ROAE^(1,2): 21.3%
- ROAA^(1,2): 10.6%
- Net Interest Margin (NIM): 13.7%

High-Yield Portfolio of Earning Assets

- Total Debt Investments (at cost): \$3.06B
- Total Investments (at cost): \$3.25B
- Effective Yield: 15.3%

Industry-Leading Originations Platform

- \$17.3B in total net debt commitments since inception
- Annualized loss rate of 1.4 basis points, or 0.014%
- Gross debt & equity commitments: \$413.9M⁽³⁾
- Gross debt & equity fundings: \$307.0M⁽³⁾

Strong Liquidity and Balance Sheet

- \$743.9M available liquidity (subject to existing terms and covenants)
- GAAP and regulatory leverage: 87.1% and 77.4%⁽⁴⁾

Strong Capital Raising Position

- Price-to-NAV: 1.51x⁽⁵⁾
- "ATM" Equity Distribution Program
- Investment Grade Credit Ratings:
Fitch: BBB- | Moody's: Baa3 | DBRS: BBB | KBRA: BBB+

(1) Source: HTGC and S&P Capital IQ as of 12/31/23

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

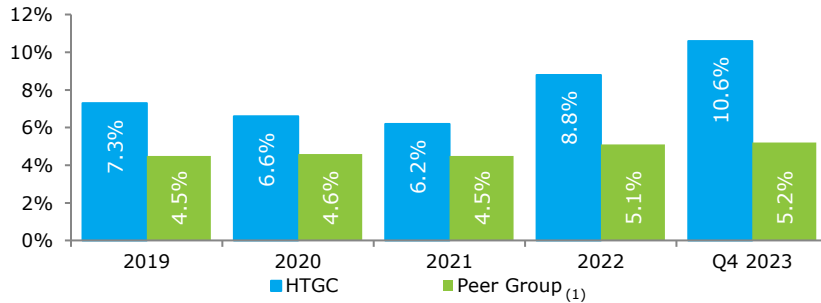
(3) Includes commitments and fundings during the quarter that were assigned to or directly committed or funded by the Adviser Funds which are external vehicles managed by Hercules Adviser LLC

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

(5) As of February 9, 2024

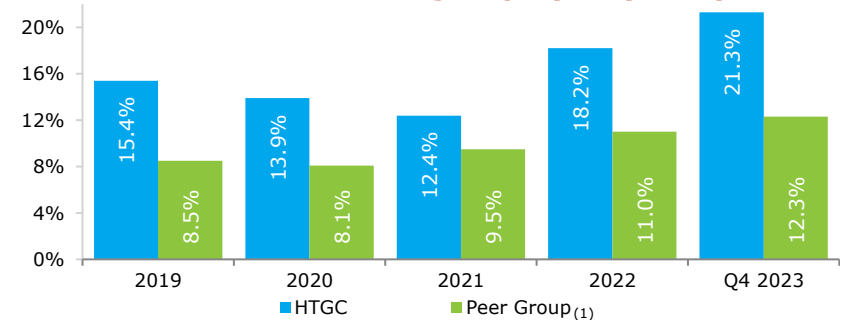
Delivering Strong Sustainable Shareholder Returns

Return on Average Assets % (ROAA)



Source: HTGC and S&P Capital IQ as of 12/31/23 for HTGC and for Peer Group. Return on Average Assets based on NII divided by average total assets.

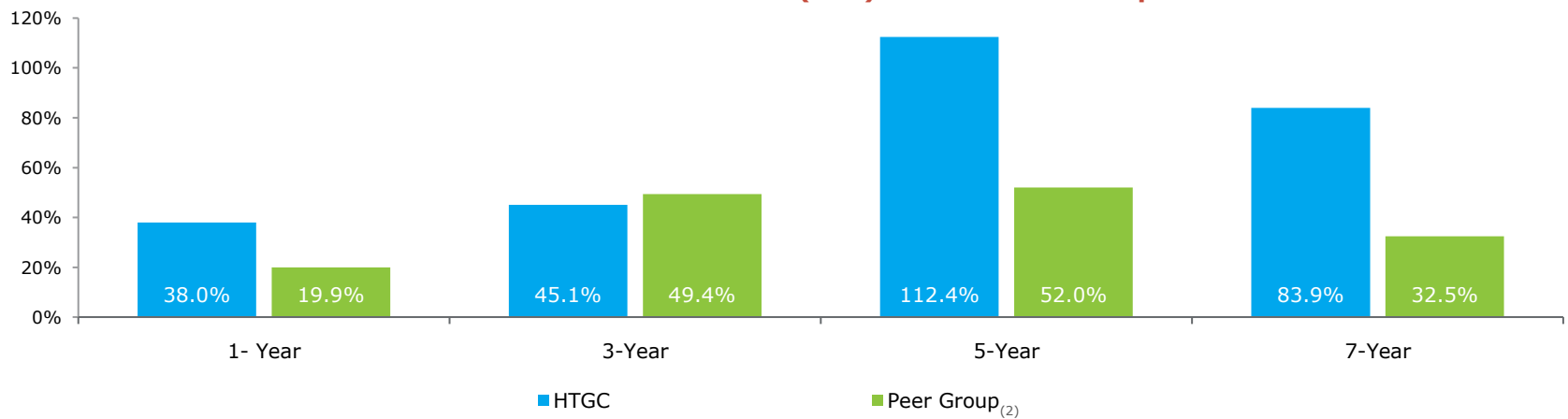
Return on Average Equity % (ROAE)



Source: HTGC and S&P Capital IQ as of 12/31/23 for HTGC and for 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, GSB, MAIN, NMFC, OBDC, PNNT, PSEC, SLRC, BBDC, TCPC, CCAP, TSLX

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

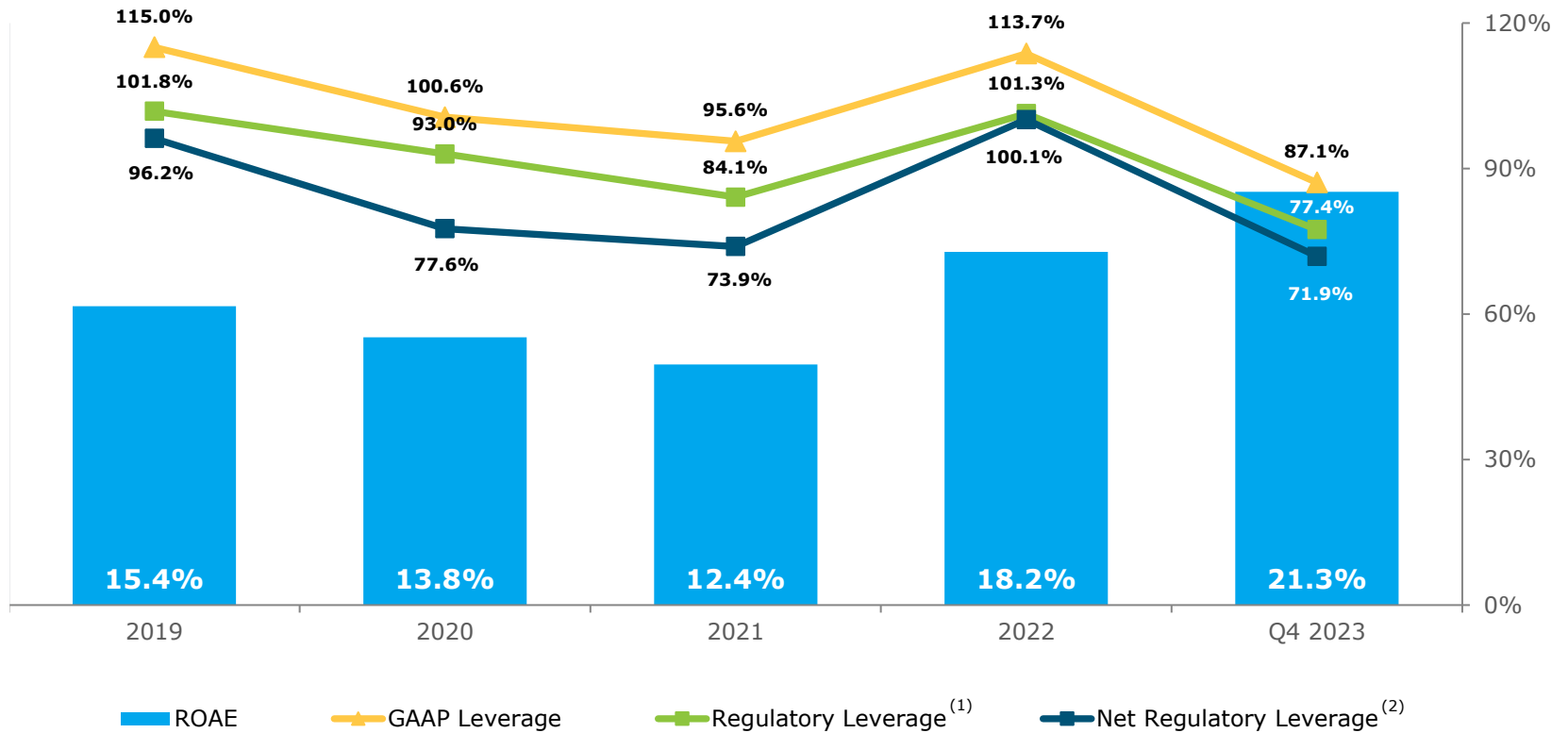


(1) TSR is defined as stock appreciation plus base dividend distributions. Source: S&P Capital IQ as of December 31, 2023

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

Available Leverage for Potential Earnings Growth

Leverage to Return on Average Equity % (ROAE)

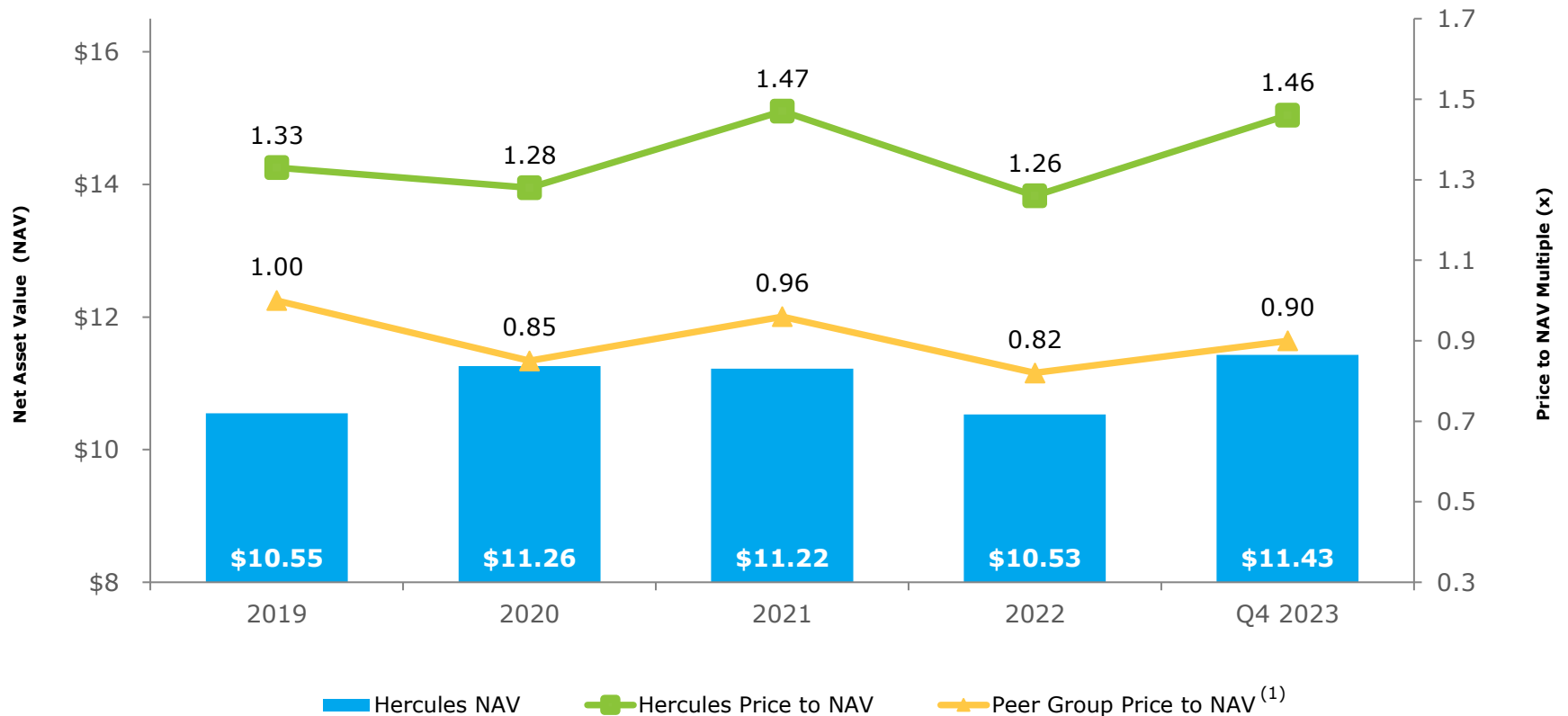


(1) Excludes SBA

(2) Excludes SBA and cash

Hercules Has Consistently Maintained a Premium to NAV

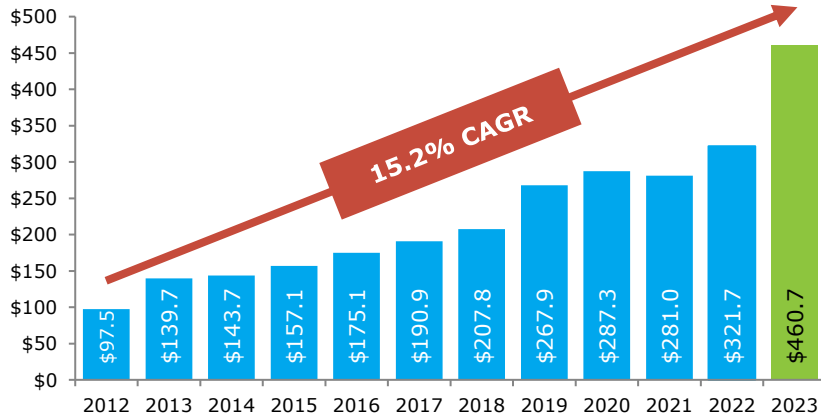
Creates a strong capital raising position to support growth and stability



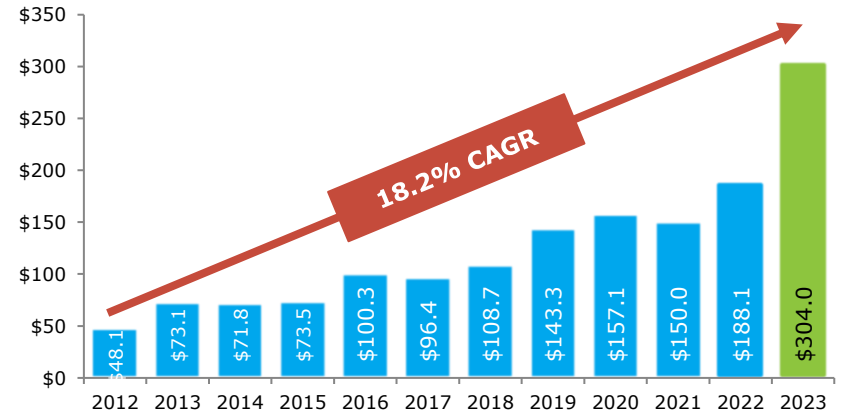
(1) Peer Group: MFIC, ARCC, BKCC, OCSL, FSK, GBDC, GSBDC, MAIN, NMFC, OBDC, PNNT, PSEC, SLRC, BBDC, TCPC, CCAP, TSLX
 Price to NAV Source: S&P Capital IQ as of 12/31/23 for HTGC and 9/30/23 for Peer Group. Stock price based on closing price on last trading day of each calendar year or relative quarter.

Hercules Key Performance Highlights

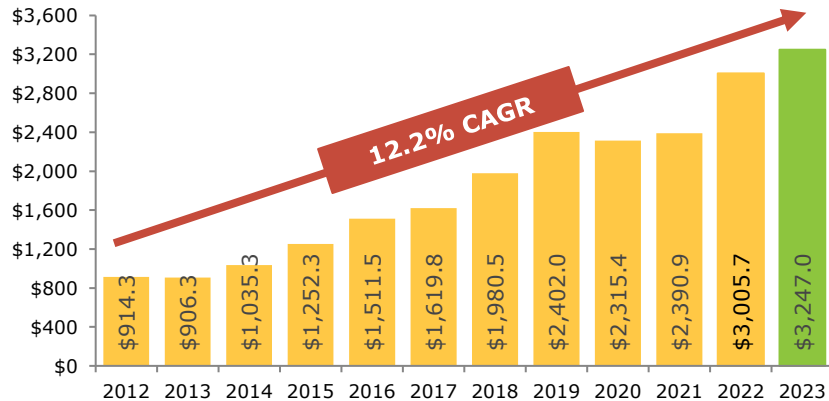
Total Investment Income
(\$ in millions)



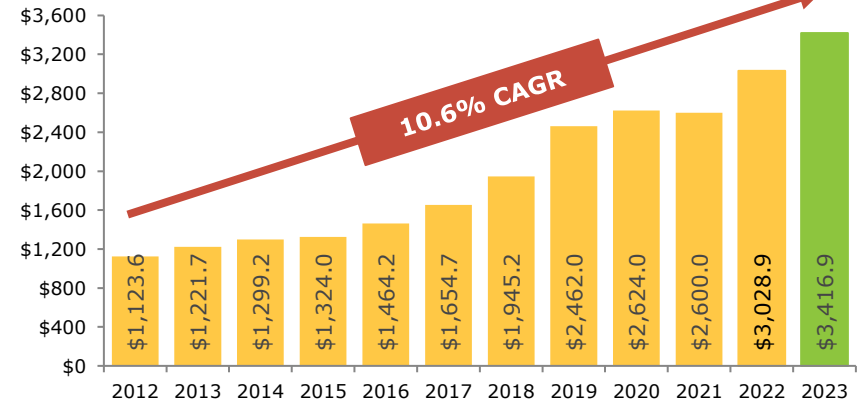
Net Investment Income "NII"
(\$ in millions)



Total Investments at Cost
(\$ in millions)

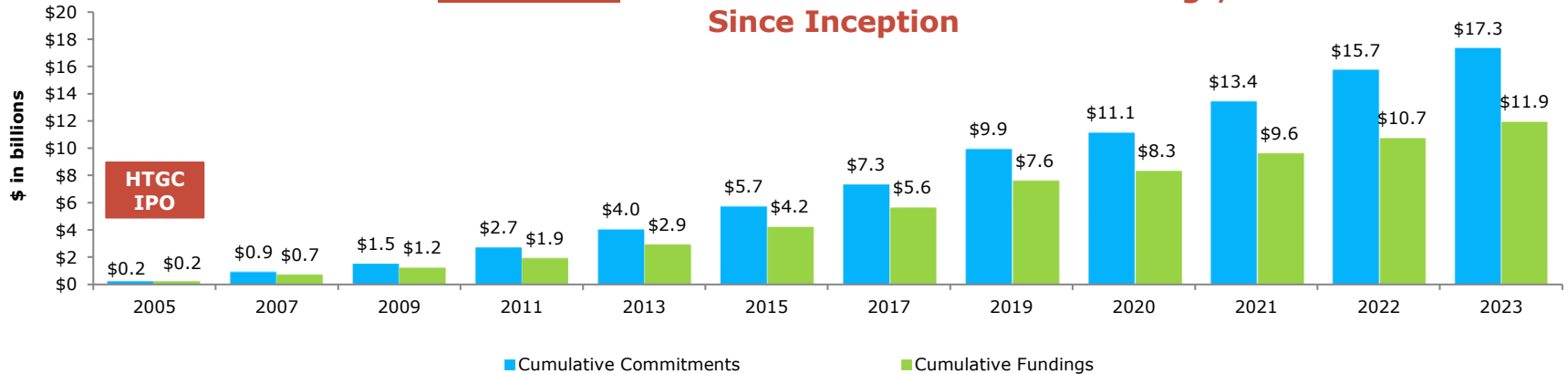


Total Assets
(\$ in millions)

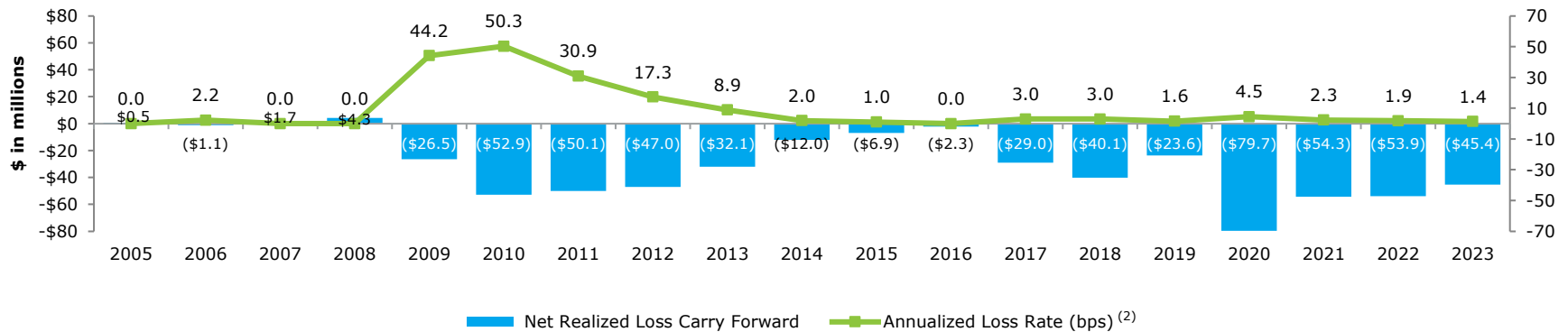


Portfolio Growth with Underwriting Discipline

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

<p>\$2.58 BILLION</p> <hr/> <p>MARKET CAPITALIZATION</p>	<p>\$3.06 BILLION</p> <hr/> <p>DEBT INVESTMENT PORTFOLIO</p>	<p>103 COMPANIES</p> <hr/> <p>WARRANT PORTFOLIO</p>	<p>\$743.9 MILLION</p> <hr/> <p>LIQUIDITY & BALANCE SHEET</p>
<p>FOUNDED DECEMBER 2003 IPO: June 2005 "HTGC"</p> <p>ENTERPRISE VALUE \$4.19 billion⁽¹⁾</p> <p>MARKET CAPITALIZATION \$2.58 billion⁽¹⁾</p> <p>NET ASSET VALUE PER SHARE \$11.43 as of 12/31/23</p> <p>HISTORICAL PRICE/NAV ~1.1x to ~1.7x range</p> <p>CURRENT PRICE/NAV 1.51x⁽¹⁾</p>	<p>DEBT INVESTMENTS COST BASIS \$3.06 billion</p> <p>DEBT INVESTMENTS FAIR VALUE \$3.06 billion</p> <p>EFFECTIVE YIELD 15.3%</p> <p>DEBT INVESTMENTS IN 125 companies</p> <p>SHORT TERM MATURITIES 36-48 months</p> <p>INVESTMENT SIZE \$5 to \$200 million</p>	<p>WARRANT HOLDINGS IN 103 companies</p> <p>EQUITY HOLDINGS IN 74 companies</p> <p>TOTAL WARRANT AND EQUITY GAAP COST \$184.2 million</p> <p>TOTAL WARRANT AND EQUITY FAIR VALUE \$186.1 million</p>	<p>AVAILABLE LIQUIDITY TO INVEST⁽²⁾ \$743.9 million</p> <p>GAAP LEVERAGE 87.1% / 77.4% ex. SBA</p> <p>INVESTMENT GRADE RATINGS Fitch: BBB- Moody's: Baa3 DBRS: BBB KBRA: BBB+</p>

(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 February 9, 2024. Other data on this slide is presented as of 12/31/23.

(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

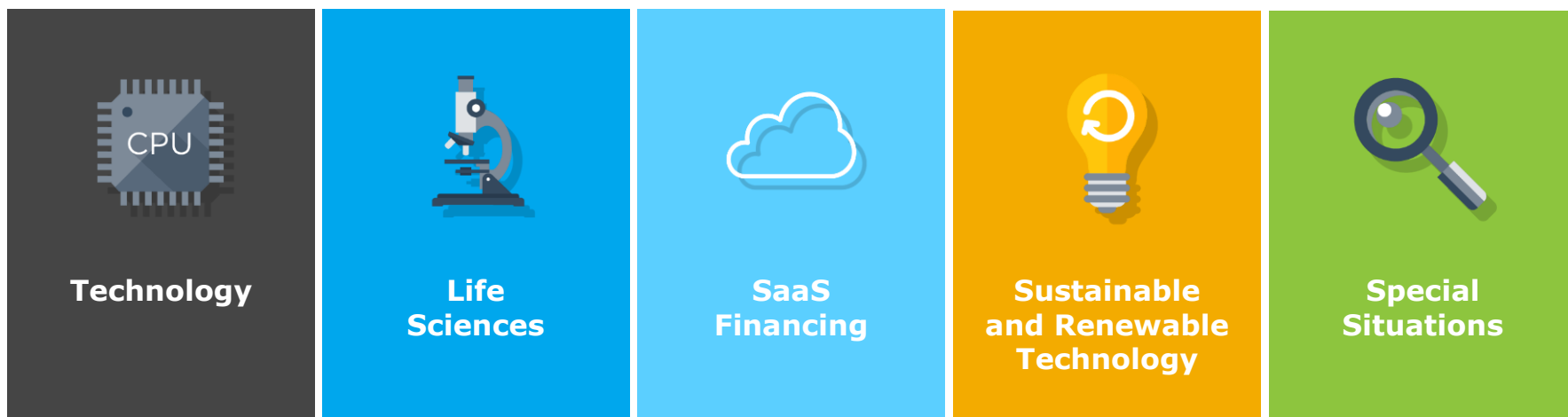
What We Do

- 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 – 95.9% floating rate loans and with interest rate floors⁽¹⁾
- We are generally the only lender and 88.8% are "true" first lien senior secured⁽¹⁾
- 8.9% of our debt investments are second position senior secured of which approximately 100% 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 19 years of strong credit performance history

(1) As of December 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
- \$17.3 billion in total net debt commitments to over 640 companies since inception
- Offices in key venture capital markets: CA | MA | NY | DC | CO | UK
- Over 1000 different VC & PE firms, financial investors
- Over 250 portfolio companies completed/announced an IPO or M&A event since inception



Financial Highlights

Income Statement: Q4 2023 vs. Q4 2022 Summary Results

	Three Months Ended December 31,		
	2023 (unaudited)	2022 (unaudited)	Year/Year Change
<i>(\$ in 000's, except per share amounts)</i>			
Interest Income	\$ 115,203	\$ 94,867	21%
Fee Income	7,400	5,320	39%
Total Investment Income	122,603	100,187	22%
Interest and Loan Fees	19,911	17,986	11%
General and Administrative and Tax Expenses	5,650	5,725	-1%
Employee Compensation	12,590	16,314	-23%
Expenses Allocated to the Adviser Subsidiary	(1,592)	(1,986)	
Total Net Operating Expenses	36,559	38,039	-4%
Pre-Tax Net Investment Income-NII	86,044	62,148	38%
Total Net Realized Gain (Loss) & Net Change in Unrealized Appreciation (Depreciation)	34,134	385	
Net Increase(Decrease) in Net Assets from Operations	120,178	62,533	92%
NII - Net Investment Income per Share (Basic)	\$ 0.56	\$ 0.47	19%
Weighted Average Shares Outstanding - Basic	152,610	130,559	17%

Current and Historical Income Statements

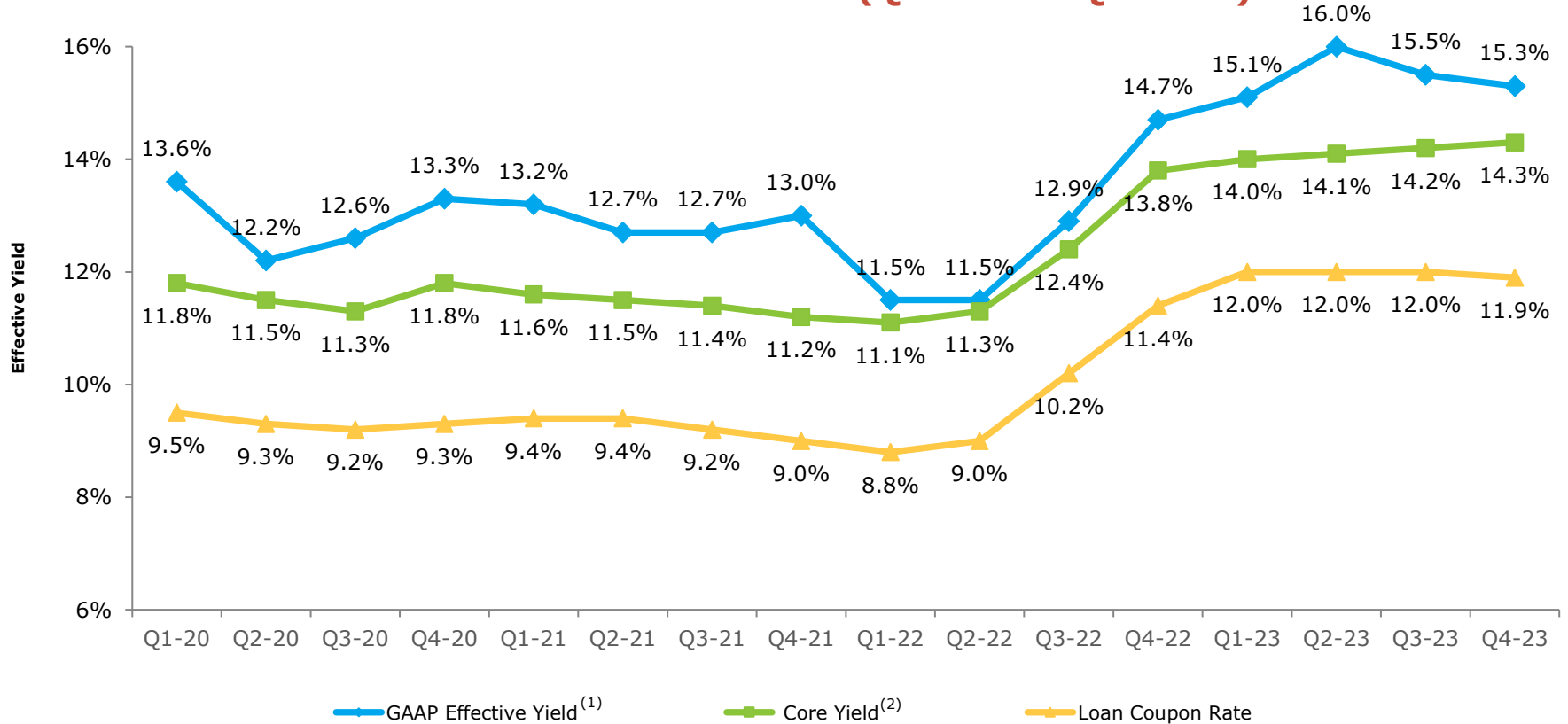
	Twelve Months Ended December 31,		
	2023	2022	Year/Year Change
<i>(\$ in 000's, except per share amounts)</i>			
Interest Income	\$ 434,425	\$ 307,258	41%
Fee Income	26,243	14,430	82%
Total Investment Income	460,668	321,688	43%
Interest and Loan Fees	77,465	62,347	24%
General and Administrative and Tax Expenses	24,767	22,364	11%
Employee Compensation	63,500	57,230	11%
Expenses Allocated to the Adviser Subsidiary	(9,101)	(8,321)	
Total Net Operating Expenses	156,631	133,620	17%
Pre-Tax Net Investment Income-NII	304,037	188,068	62%
Total Net Realized Gain (Loss) & Net Change in Unrealized Appreciation (Depreciation)	33,447	(85,987)	
Net Increase(Decrease) in Net Assets from Operations	337,484	102,081	231%
NII - Net Investment Income per Share (Basic)	\$ 2.09	\$ 1.48	41%
Weighted Average Shares Outstanding - Basic	144,091	125,189	15%

Current and Historical Balance Sheets

	December 31,	December 31,
<i>(\$ in 000's, except per share amounts)</i>	2023	2022
ASSETS		
Total Investments, at fair value	\$ 3,248,046	\$ 2,963,955
Cash and cash equivalents	98,899	15,797
Restricted cash	17,114	10,079
Interest receivable	32,741	31,682
Right of use asset	4,787	4,986
Other assets	15,339	2,356
Total Assets	\$ 3,416,926	\$ 3,028,855
LIABILITIES		
Debt (net of debt issuance costs)	1,554,869	1,574,351
Accounts payable and accrued liabilities	54,156	47,539
Operating lease liability	5,195	5,506
Total Liabilities	\$ 1,614,220	\$ 1,627,396
Net Assets	\$ 1,802,706	\$ 1,401,459
Shares Outstanding	157,758	133,045
Net Assets per Share	\$ 11.43	\$ 10.53

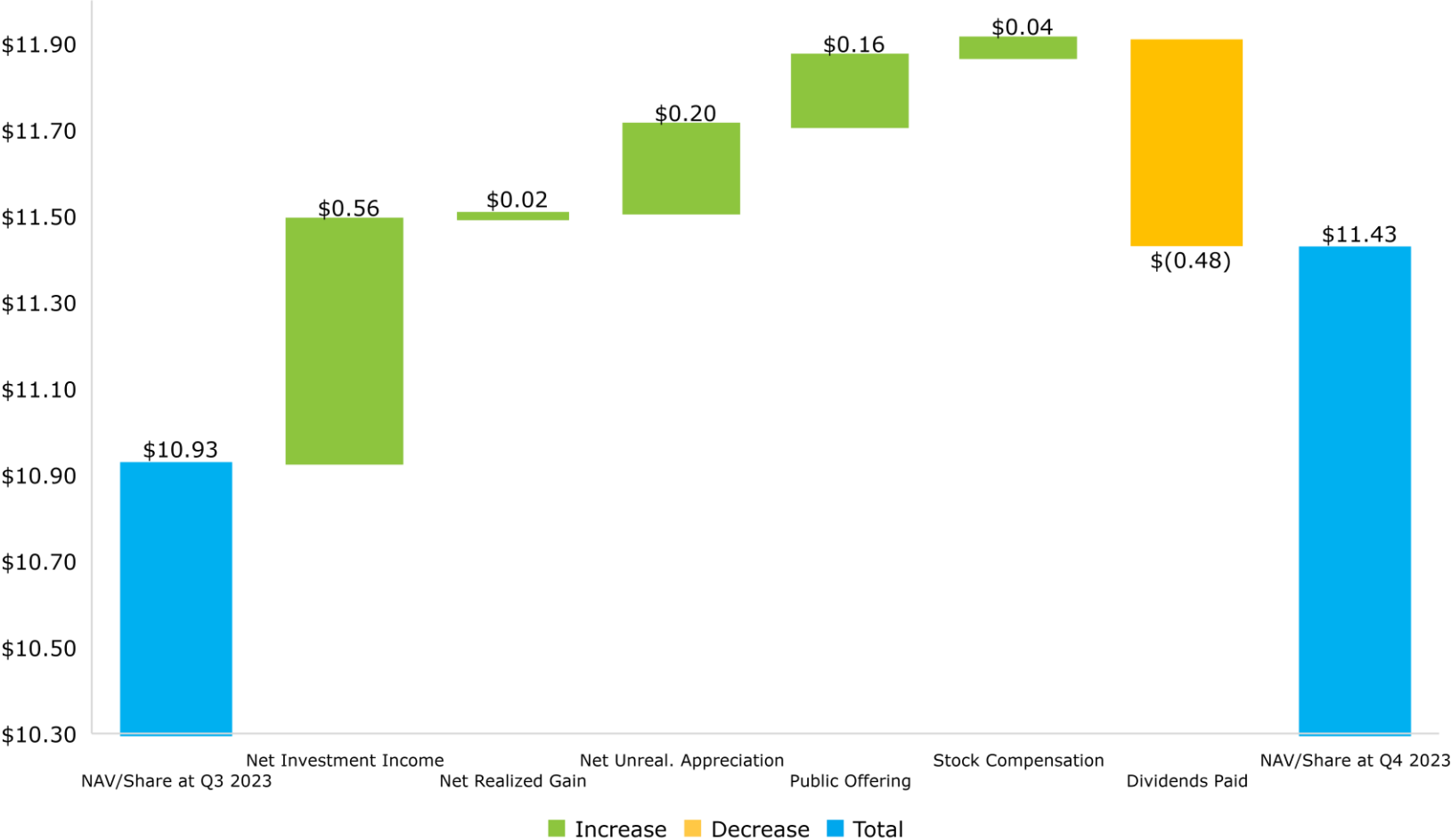
Effective Yield vs. Core Yield – Leads to Strong Earnings

Median Core Yield of 11.7% (Q1 2020 – Q4 2023)



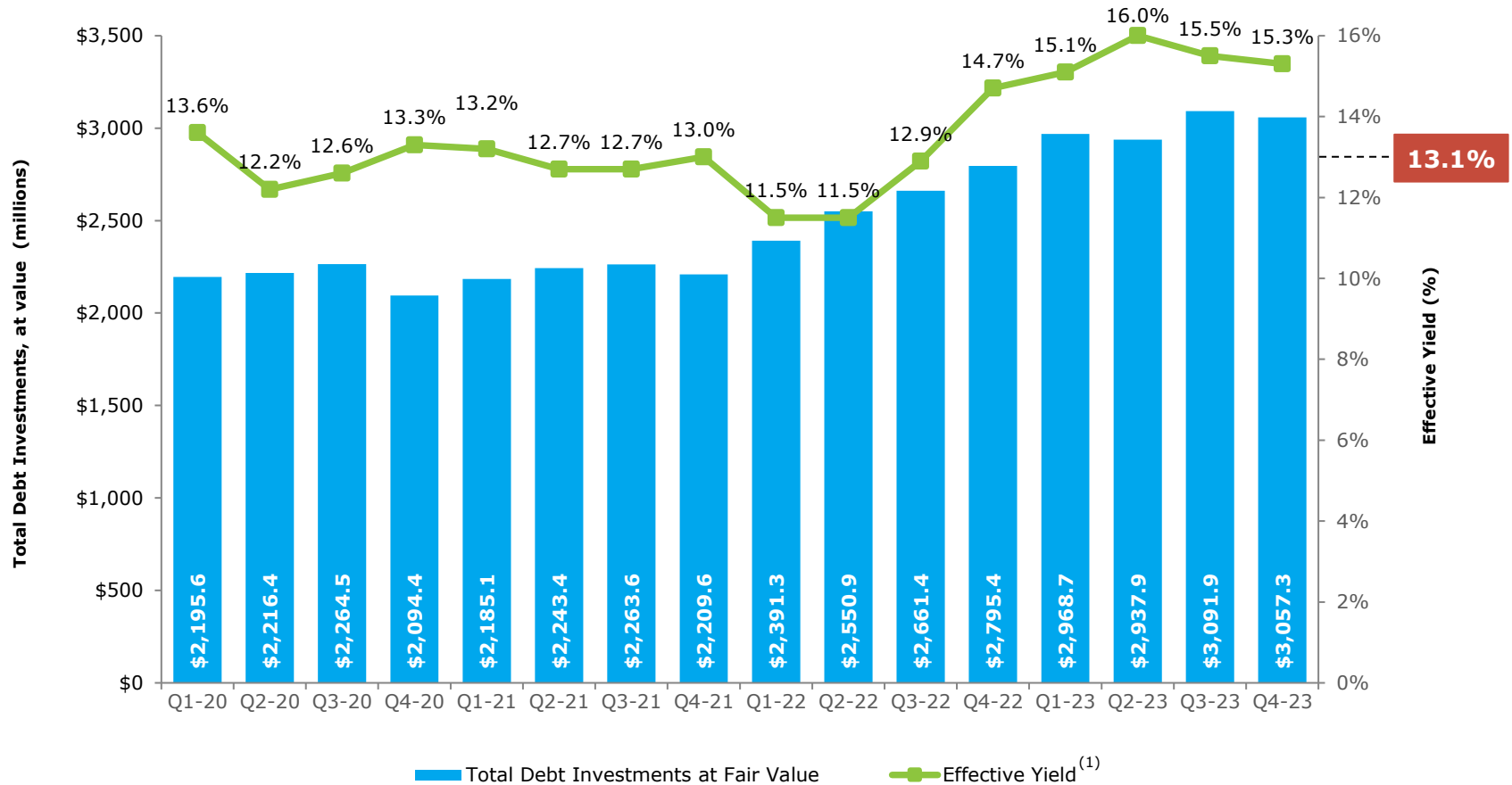
(1) Effective Yield is inclusive of all fees, including all realized unamortized fees and all realized transaction fees including but not limited to amendment fees and prepayment fees, and is calculated based on the weighted average principal balance of loans outstanding on a daily basis
 (2) Core Yield excludes early loan repayments, dividend from the Adviser Subsidiary, one-time fees and bank interest income, and includes income and fees from expired commitments

NAV Roll-Forward – Q4 2023



High-Yield Portfolio of Earning Assets

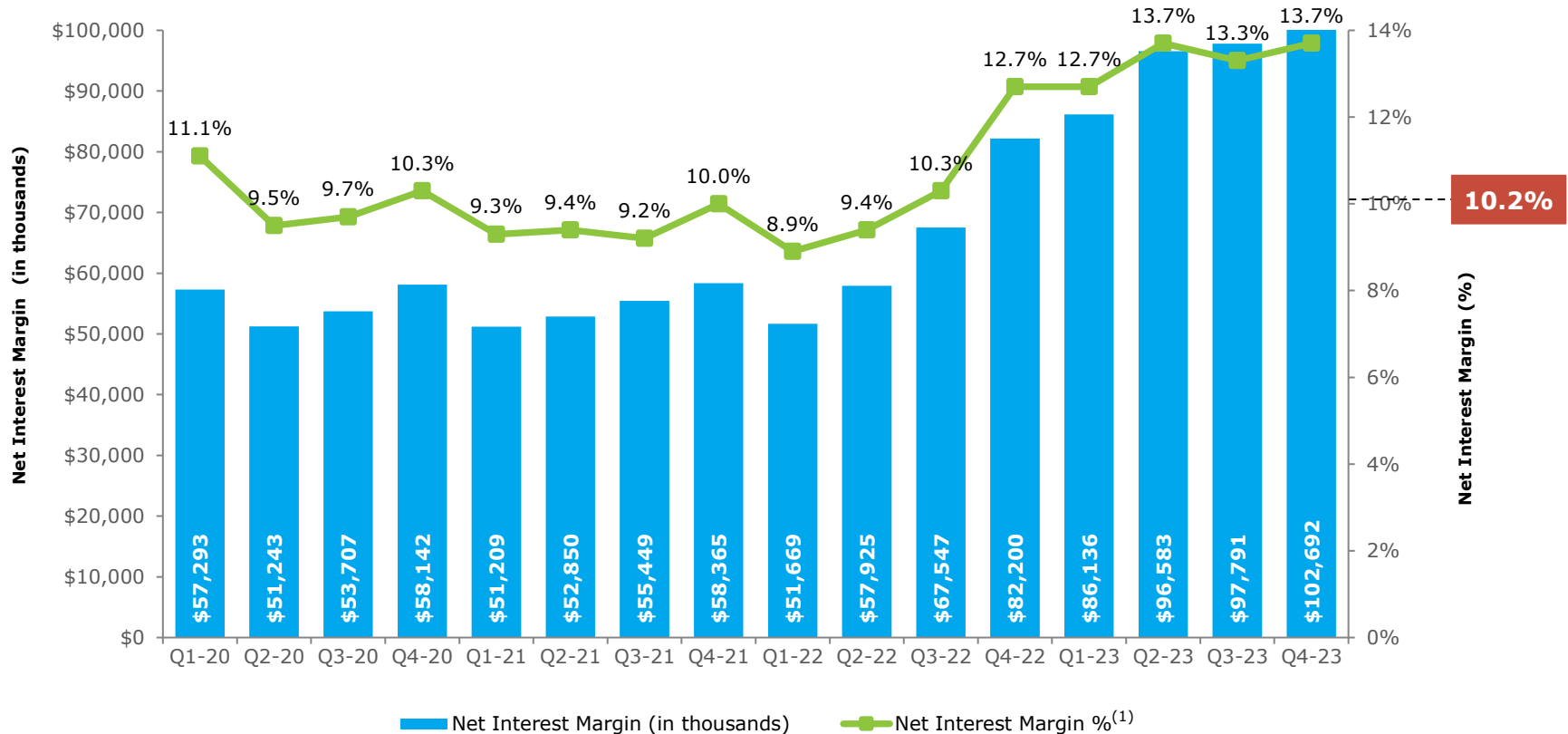
Median Effective Yield of 13.1% (Q1 2020 to Q4 2023)



(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 10.2% (Q1 2020 to Q4 2023)

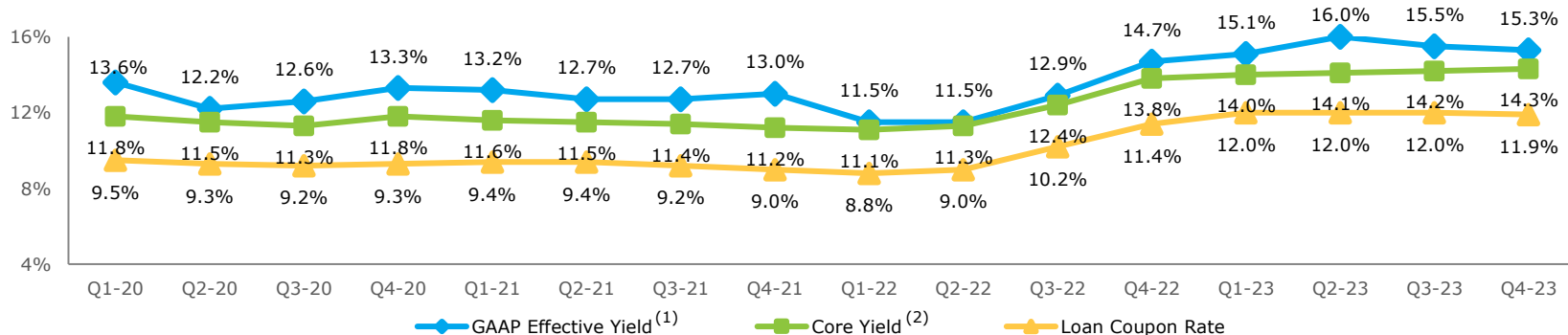


(1) Net Interest Margin % = Net Interest Income/Average Yielding Assets excluding Equity Investments

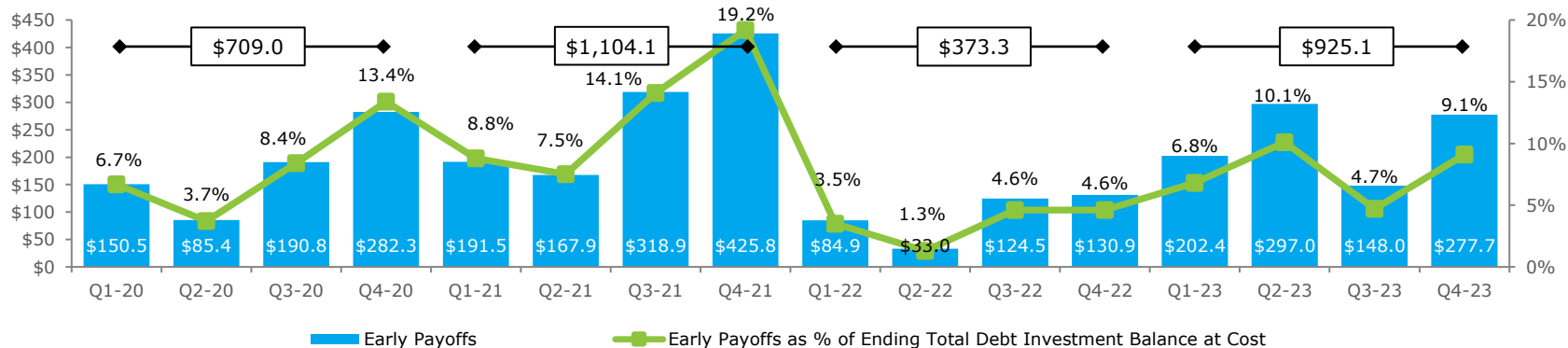
Impact of Early Payoffs on Effective Yields

Early Payoffs Lead to Higher Effective Yields and Earnings

Effective Yields



Unscheduled Early Payoffs (\$ in millions)

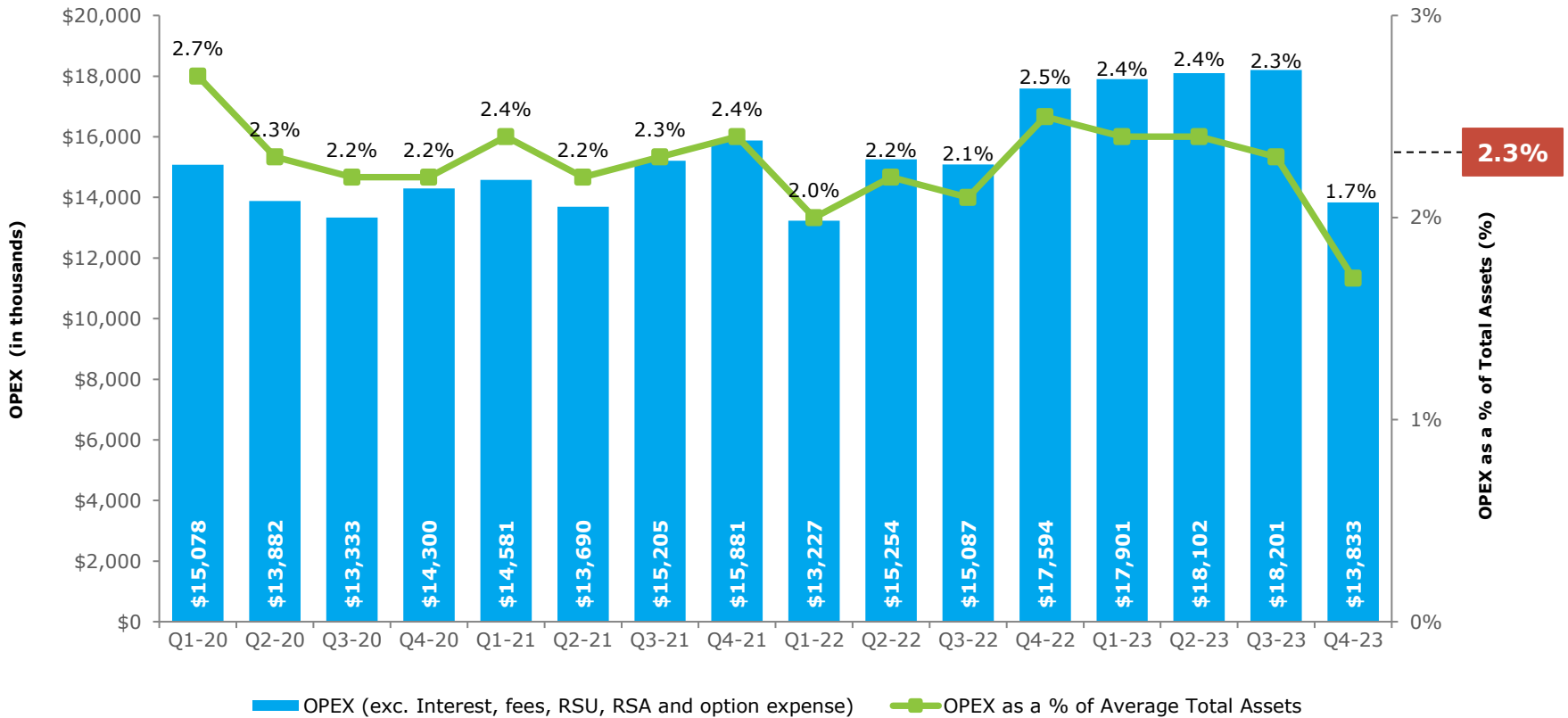


(1) Effective Yield is inclusive of all fees, including all realized unamortized fees and all realized transaction fees including but not limited to amendment fees and prepayment fees, and is calculated based on the weighted average principal balance of loans outstanding on a daily basis

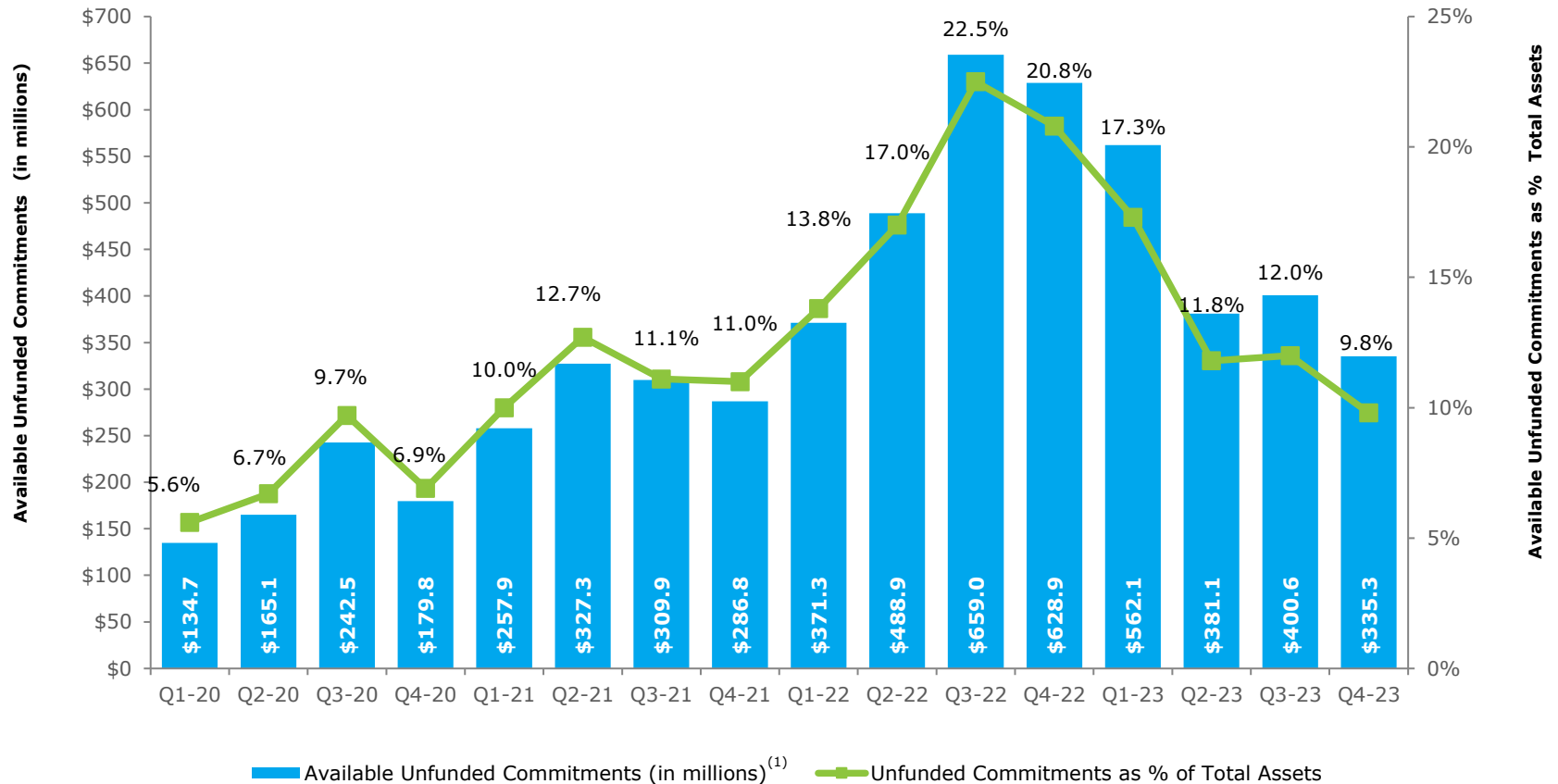
(2) Core Yield excludes early loan repayments, dividend from the Adviser Subsidiary, one-time fees and bank interest income, and includes income and fees from expired commitments

Non-Interest and Fee Expense to Average Total Assets

Median adjusted OPEX to average total assets of 2.3% (Q1 2020 to Q4 2023)



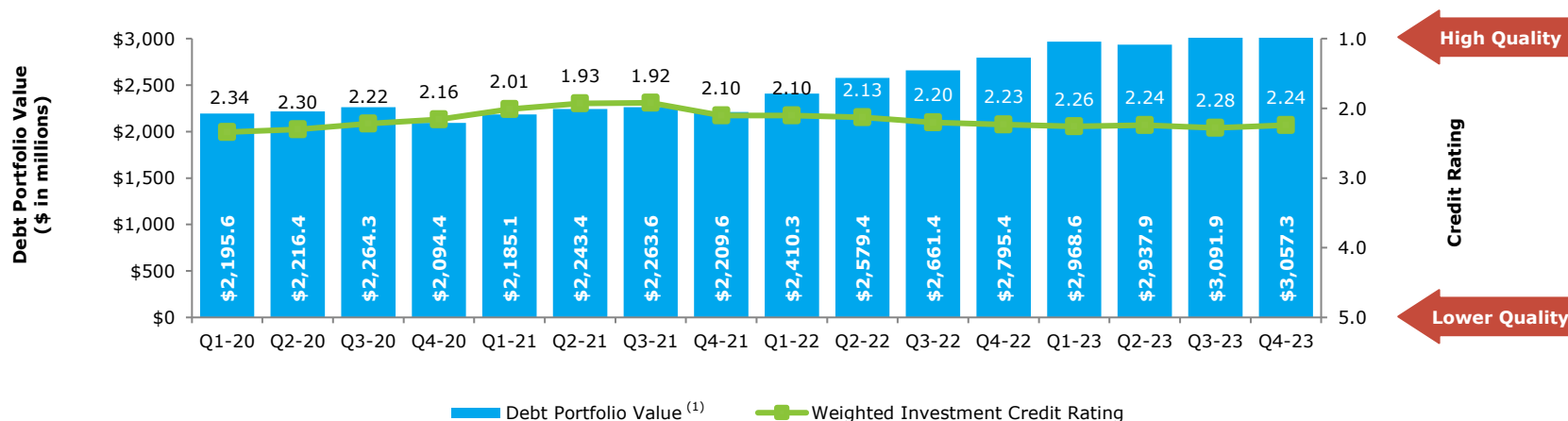
Unfunded Commitments as a Percentage of Total Assets



(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), Q4 2023 - Q4 2022 (\$ in millions)

	Q4 2023		Q3 2023		Q2 2023		Q1 2023		Q4 2022	
Grade 1 - High	\$ 626.8	20.5%	\$ 607.5	19.7%	\$ 593.6	20.2%	\$ 590.4	19.9%	\$ 549.1	19.6%
Grade 2	\$ 1,286.2	42.1%	\$ 1,312.0	42.4%	\$ 1,151.7	39.2%	\$ 1,184.9	39.9%	\$ 1,171.6	41.9%
Grade 3	\$ 1,040.6	34.0%	\$ 1,066.8	34.5%	\$ 1,125.6	38.3%	\$ 1,100.0	37.1%	\$ 1,015.2	36.3%
Grade 4	\$ 103.7	3.4%	\$ 81.1	2.6%	\$ 67.0	2.3%	\$ 92.3	3.1%	\$ 57.8	2.1%
Grade 5 - Low	\$ -	0.0%	\$ 24.6	0.8%	\$ -	0.0%	\$ 1.2	0.0%	\$ 1.7	0.1%
Weighted Avg. (at Cost)	2.24		2.28		2.24		2.26		2.23	

(1) Debt only; based on fair value

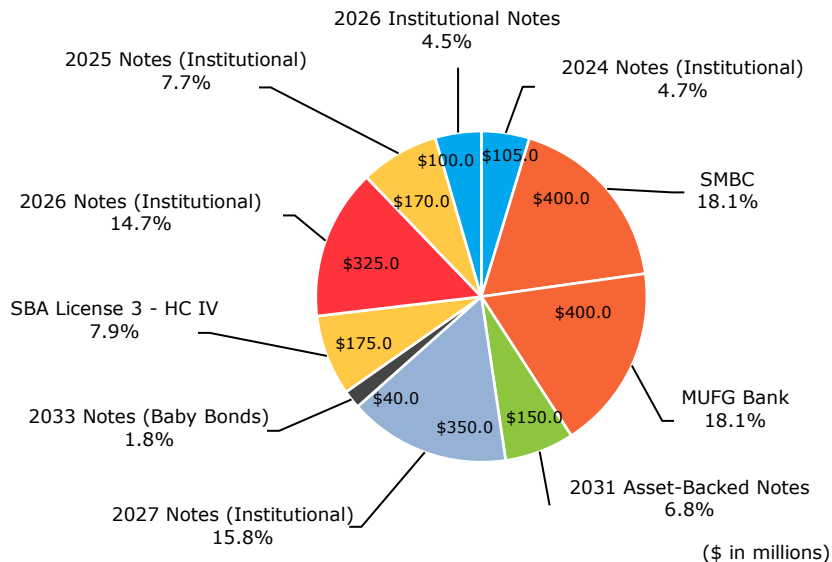
Diversified Sources of Funding: Q4 2023

Entity Capitalization

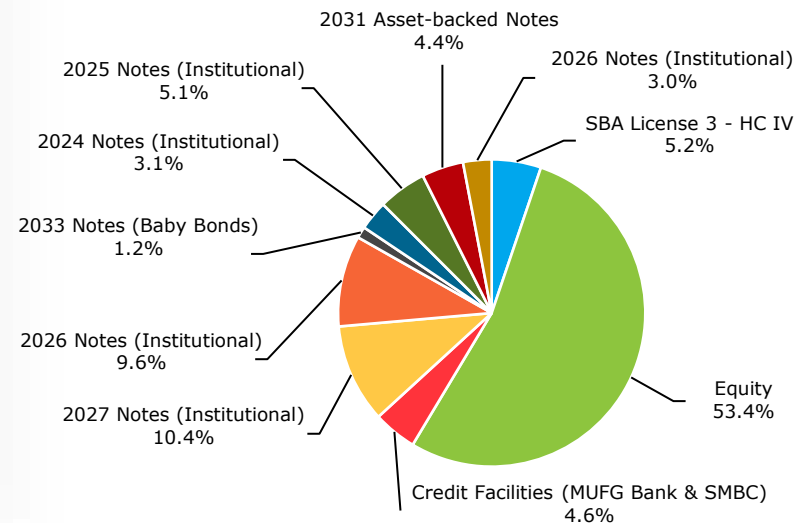
Capital Sources as of 12/31/23

	\$ in Millions	% of Total
Equity	\$1,802.7	53.4%
SBA License 3 – HC IV	\$175.0	5.2%
January 2027 Notes (Institutional)	\$350.0	10.4%
July 2024 Notes (Institutional)	\$105.0	3.1%
September 2026 Notes (Institutional)	\$325.0	9.6%
October 2033 Notes (Baby Bonds)	\$40.0	1.2%
February & June 2025 Notes (Institutional)	\$120.0	3.6%
June 2025 Notes (Institutional)	\$50.0	1.5%
March 2026 Notes (Institutional)	\$100.0	3.0%
July 2031 Asset-backed Notes	\$150.0	4.4%
Credit Facilities (MUFG Bank & SMBC)	\$155.0	4.6%
Total Capital	\$3,372.7	100.0%

Debt Capital Stack



Total Corporate Capitalization

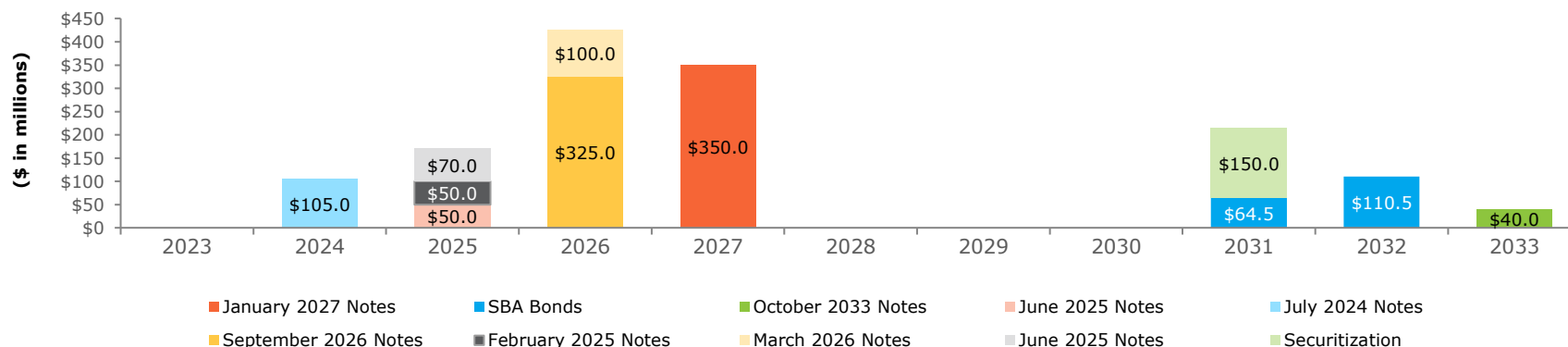


Diversified Sources of Funding: Q4 2023

DATE ENTERED	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
	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 + 275 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	\$94.0	\$61.0	\$350.0	\$325.0	\$40.0	\$105.0	\$50.0	\$70.0	\$100.00	\$50.0	\$175.0	\$150.00

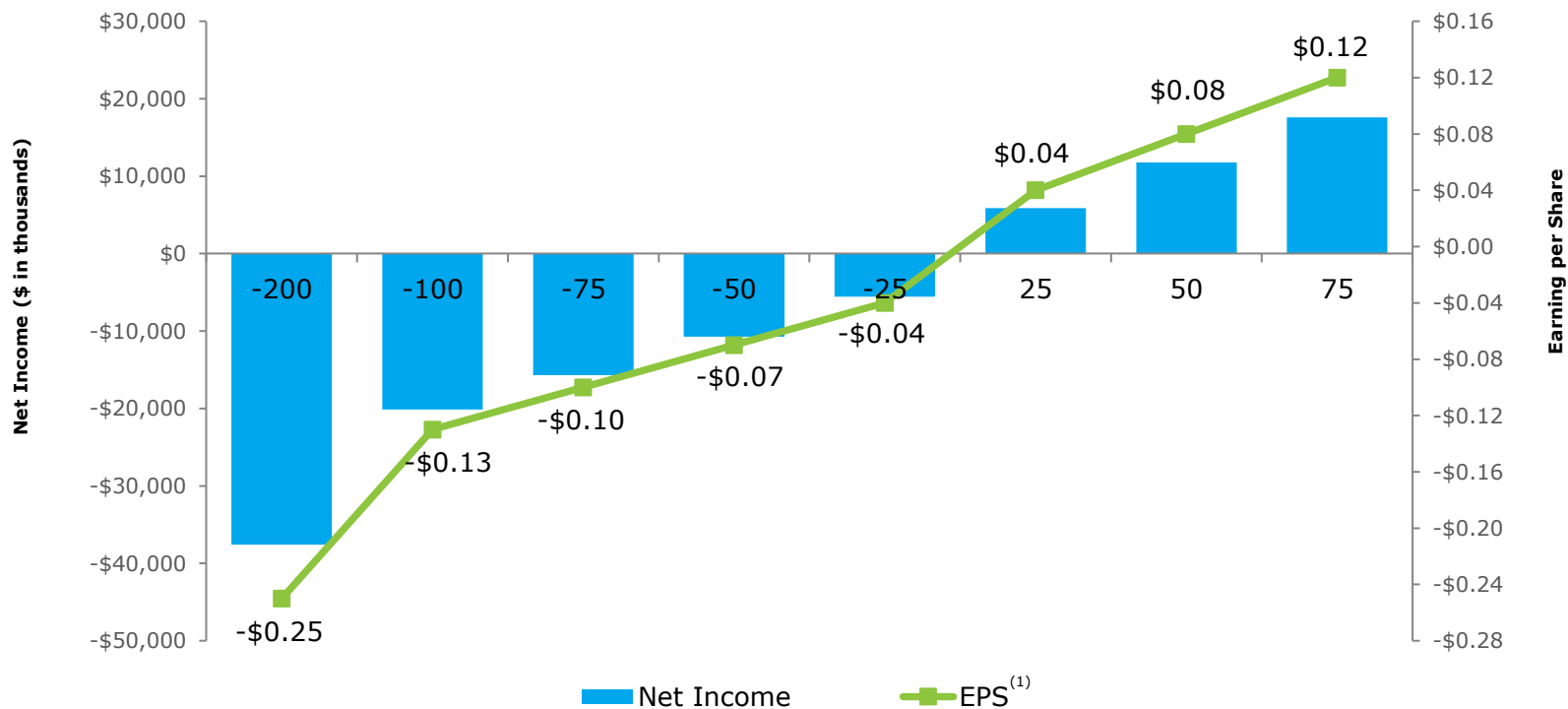
(1) Interest rate range for the SBA debentures does not include annual fees

Well-Managed Debt Maturity Schedule



Interest Rates & Asset Sensitivity

Basis Point Movement in Prime Rate



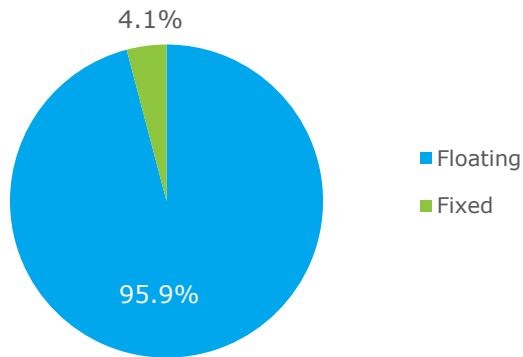
(1) EPS calculated on basic weighted shares outstanding of 152,610 million and a static debt investment portfolio as of December 31, 2023. Estimates are also subject to change due to impact from potential participation in the Company's equity ATM program and future equity offerings.



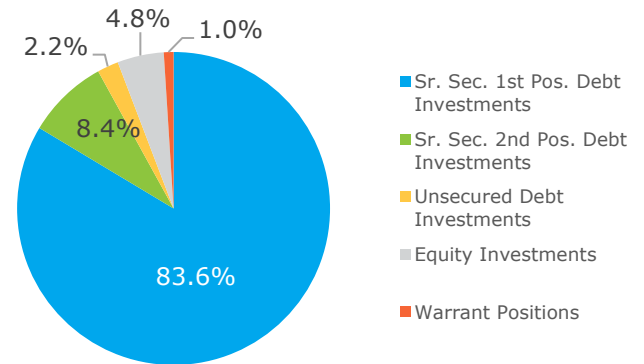
Portfolio Highlights

Hercules' Investment Portfolio: Q4 2023

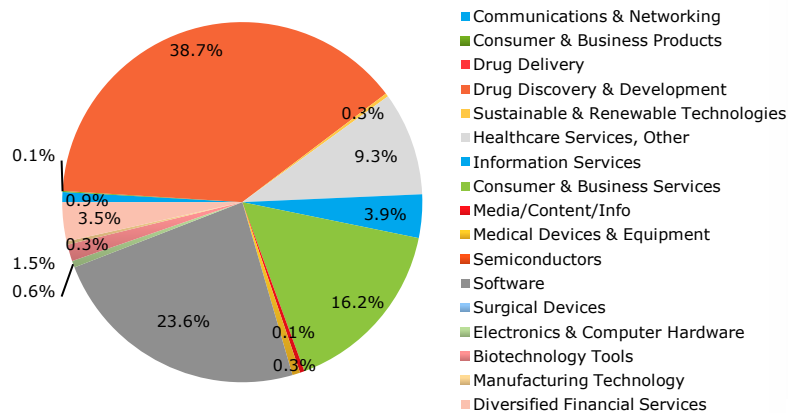
Floating vs. Fixed Rate



Investment Type Breakout

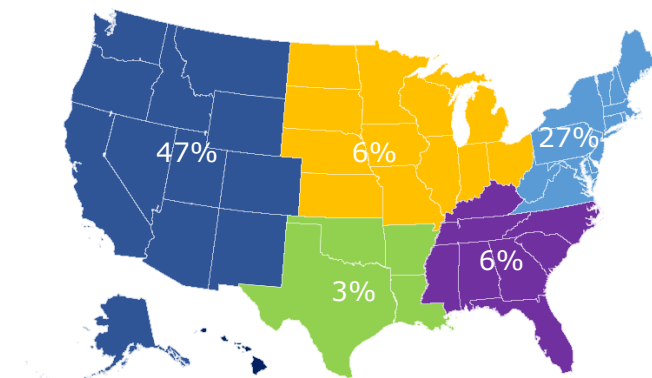


Industry Breakout



Percentage of Portfolio Companies by Region

(Portfolio Companies as of December 31, 2023)



International: 11%

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

3 Portfolio Companies completed/filed for Initial Public Offerings – 2023

- enGene (completed)
- Two Confidential S-1 Filers

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

- Provention Bio, Inc.
- Oak Street Health
- Logicworks
- Concert Pharmaceuticals, Inc.
- Albireo Pharma, Inc.
- IVERIC Bio, Inc.
- Paratek Pharmaceuticals
- Imperva
- Nuvolo
- Agrivida
- Tact.ai
- Faction

Current Warrant & Equity Portfolio – Q4 2023

- 103 warrant holdings
 - GAAP fair value: \$34.0 million
 - GAAP cost: \$29.0 million
 - \$61.7 million in nominal Exercise Value (as of 12/31/23)
- 74 equity holdings
 - GAAP fair value: \$152.2 million
 - GAAP cost: \$155.2 million

-
- Illustrative models of potential warrant gains (as of 12/31/23)
 - Assumption: 50% of warrants will not monetize
 - GAAP cost: \$14.5 million
 - Based on 152.6 million weighted average shares

\$30.8M x 2X multiple: \$61.6M - \$14.5M cost =
\$47.1M unrealized gain = **\$0.31/share**

\$30.8M x 3X multiple: \$92.5M - \$14.5M cost =
\$77.9M unrealized gain = **\$0.51/share**

\$30.8x 4X multiple: \$123.2M - \$14.5M cost =
\$108.7 unrealized gain = **\$0.71/share**

Selected List of Warrant and Equity Portfolio Holdings

Technology


 Palantir  DOORDASH

 fuze  908devices  lyft

 lightspeed  Nextdoor  23andMe

 Couchbase  IMPOSSIBLE  sprinklr

 Thumbtack  dashlane

 Postmates  SeatGeek

Life Sciences

 bridgebio  Valo

 Phathom
PHARMACEUTICALS  uniQure

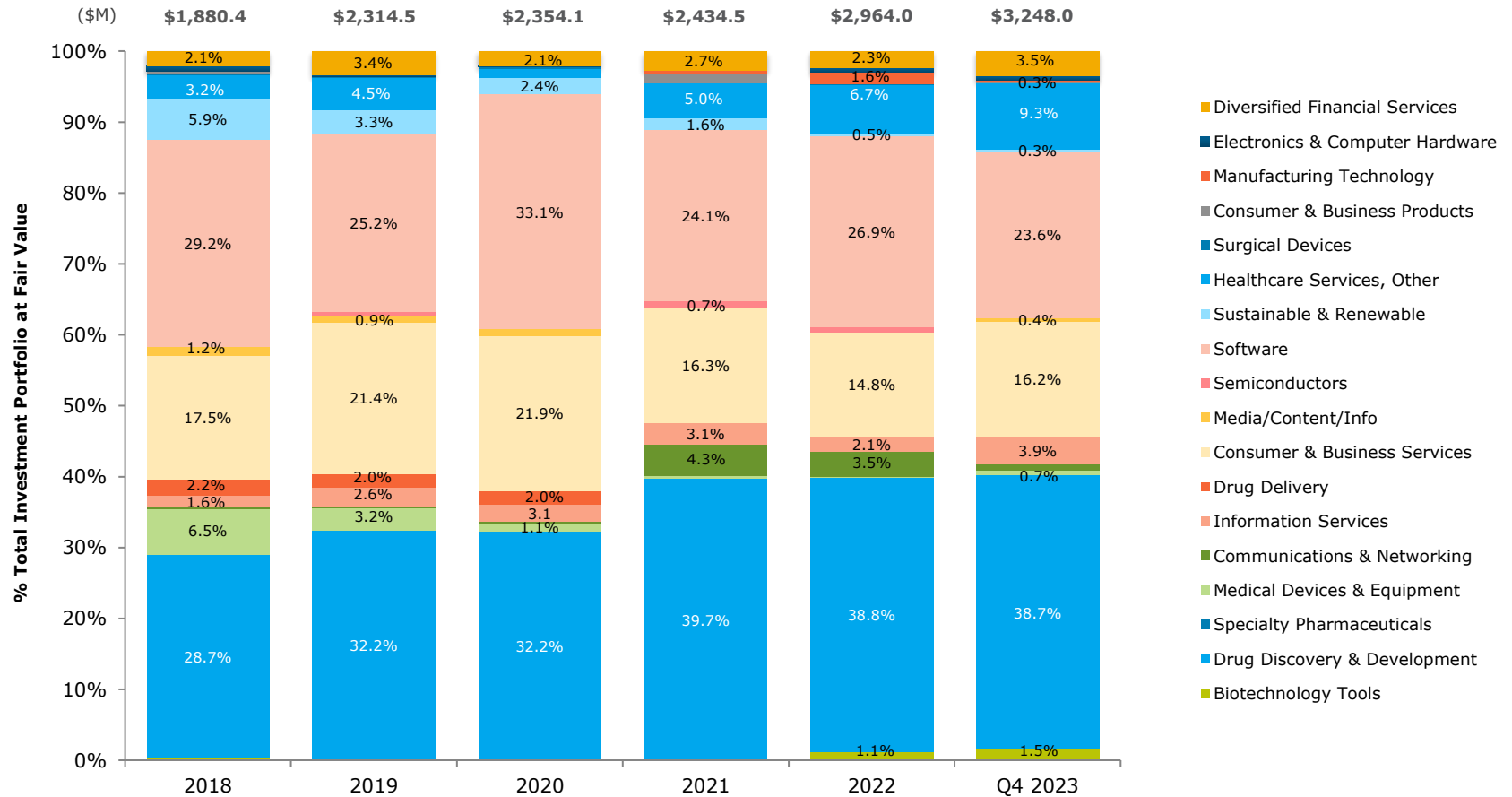
 akero  Albireo

 Tarsus

 axsome

 Madrigal
Pharmaceuticals

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
Silicon Valley
Boston
New York
Washington DC
San Diego
Denver
London

Primarily Invest at Stages of High Growth

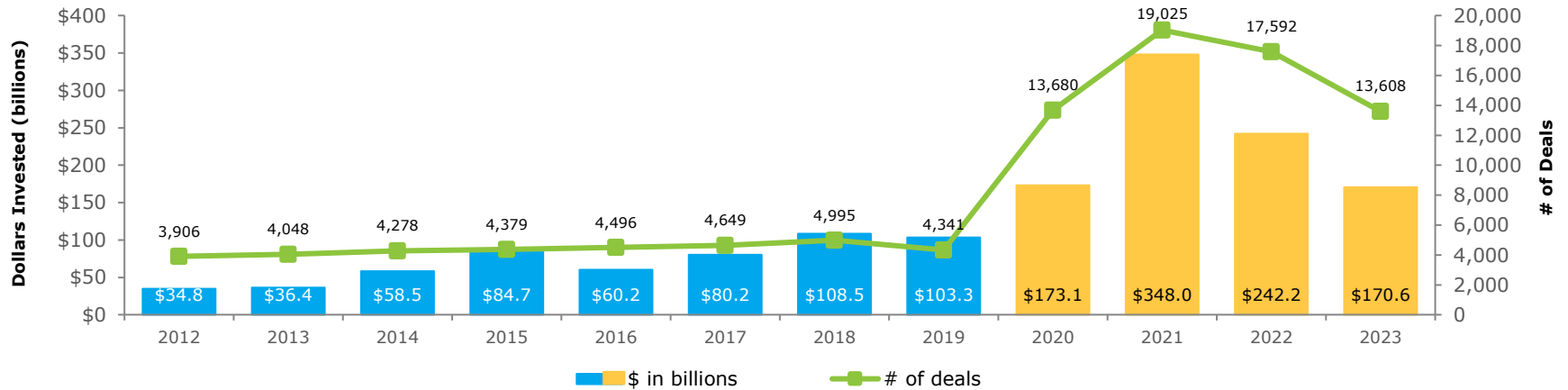
	Expansion Stage	Established
Type of Company	Follow-on Rounds of Growth Capital (Series B-Liquidity Event)	Private Late Stage/ Select Public Companies
Equity Capital Provider	Venture Capital/ Private Equity	Public Markets/ Private Equity
Expectation for Additional Sponsor Support	1-3 Additional Rounds	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 – 2023

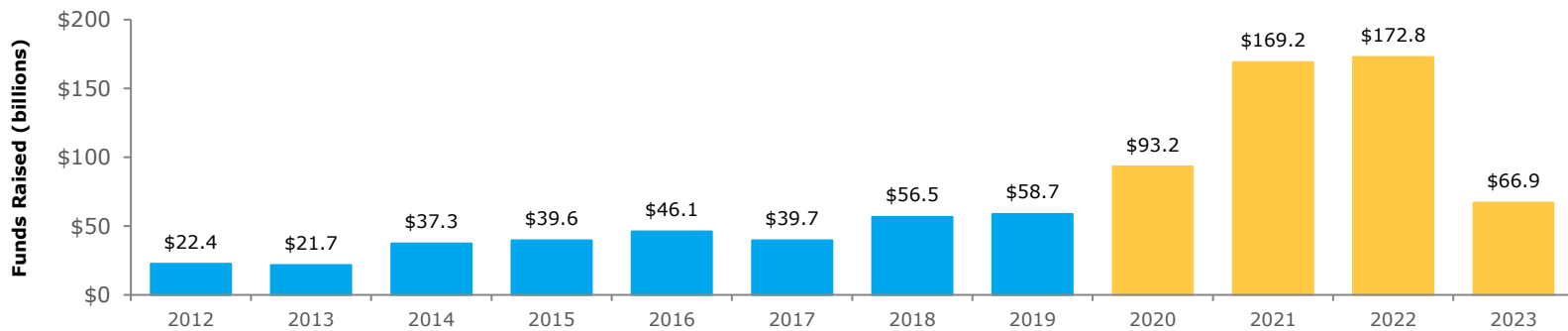


Note: Represents VC investments only

Source: Dow Jones VentureSource thru 2019

PitchBook-NVCA Venture Monitor thru Q4 2023

Venture Capital Fundraising Activity 2012 – 2023

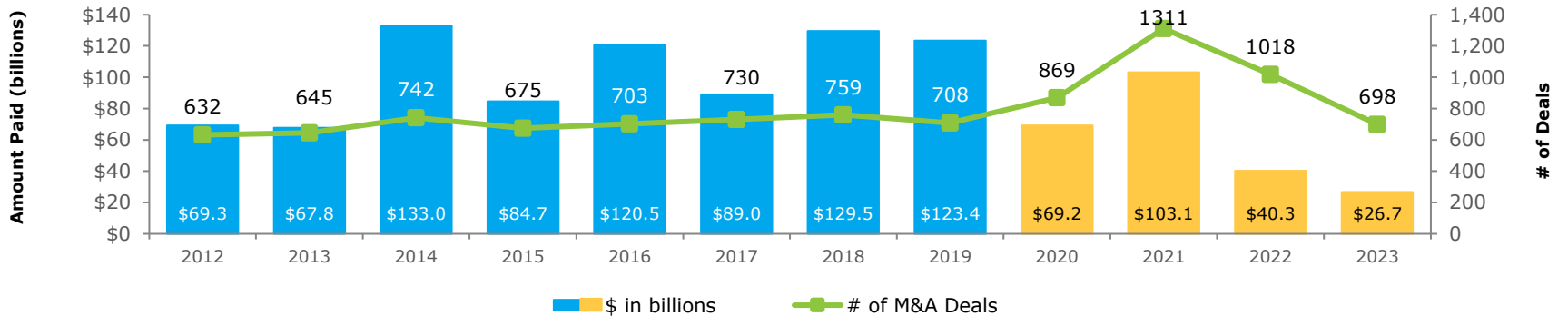


Source: Dow Jones VentureSource thru 2019

PitchBook-NVCA Venture Monitor thru Q4 2023

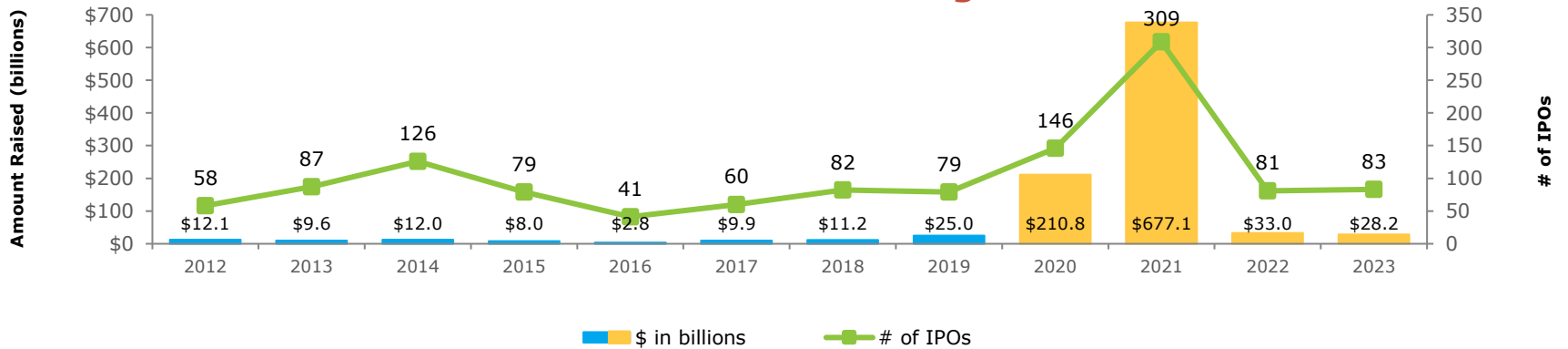
Exits of Venture Capital-Backed Companies

Mergers & Acquisitions



Source: Dow Jones VentureSource thru 2019 | PitchBook-NVCA Venture Monitor thru Q4 2023

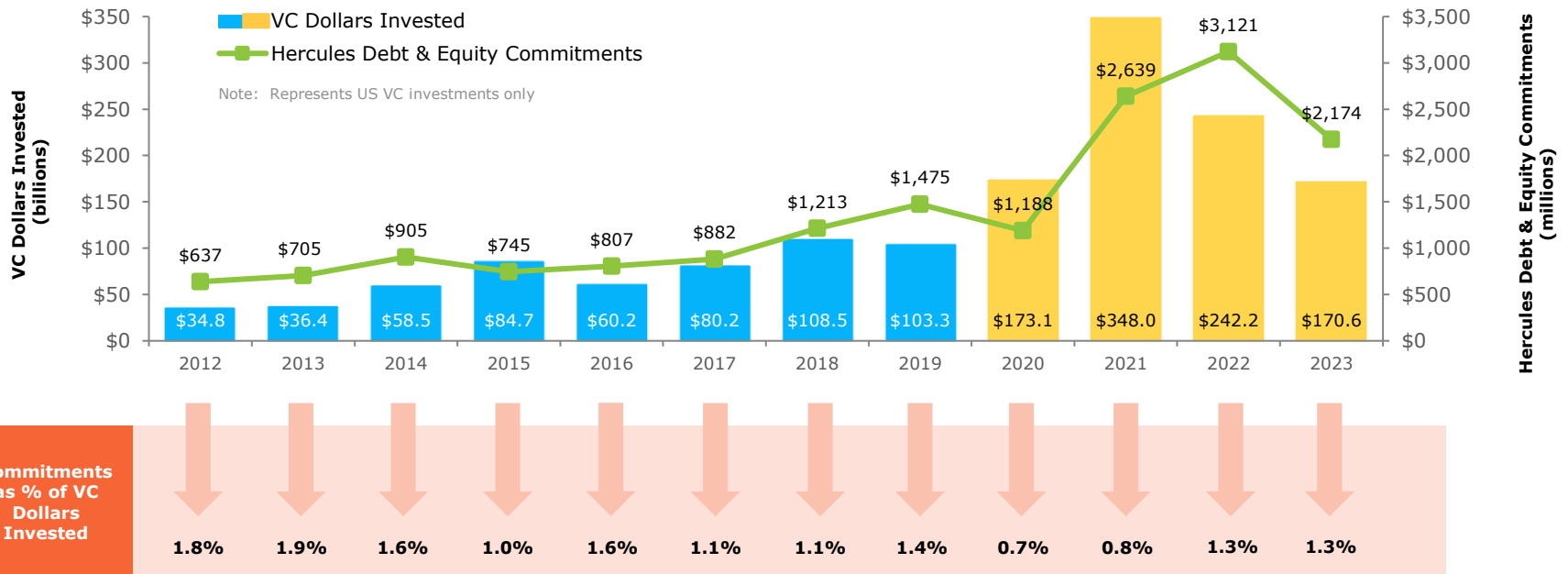
Initial Public Offerings



Source: Dow Jones VentureSource thru 2019 | PitchBook-NVCA Venture Monitor thru Q4 2023

Hercules' Total Commitments vs. VC Dollars Invested

Venture Capital Investment Activity 2012 – 2023

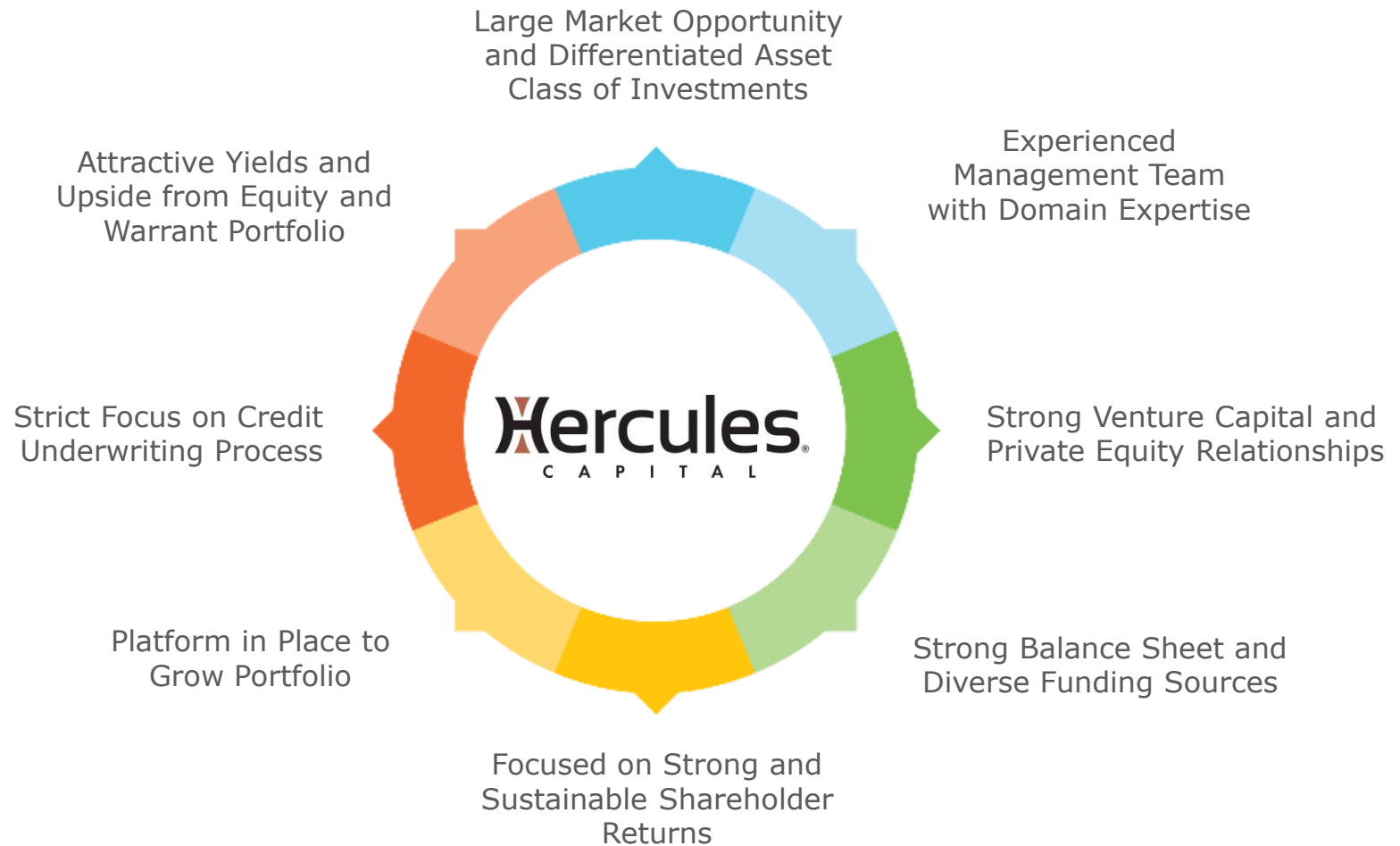


- Hercules' uncompromising yield and credit underwriting standards drive commitments
- Market conditions determine commitment activity more than pure VC investment activity
- Hercules' 12-year historical average participation rate: 1.3%

Source: Dow Jones VentureSource thru 2019

PitchBook-NVCA Venture Monitor thru Q4 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



Devin Ryan
Re-initiated Coverage
11/2/2020



A Stifel Company

Paul Johnson
Transferred Coverage
2/20/2024

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



Vilas Abraham
Initiated Coverage
11/21/2023

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