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Hercules' Portfolio Company Solar Spectrum Strengthens Market Position With Strategic Merger

- *Transaction strengthens market position and creates one of the nation's largest residential solar companies*

PALO ALTO, Calif.--(BUSINESS WIRE)-- [Hercules Capital, Inc.](#) (NYSE: HTGC) ("Hercules" or the "Company"), the leading specialty financing provider to innovative venture growth stage companies backed by leading venture capital firms, congratulates Solar Spectrum, a leader in the global solar market, on its recently completed merger with Horizon Solar Power, of Temecula, California. Since 2008, Horizon Solar has served as a premier designer and installer of residential and commercial solar systems in Southern California.

"We are very pleased to see Solar Spectrum's management team, along with its new lead investor Northern Pacific Group, take quick, decisive, action since emerging from bankruptcy," said Manuel Henriquez chairman and CEO of Hercules Capital. "The combination of the two companies will create one of the nation's largest residential solar providers. In addition, Horizon Solar Power, led by its distinguished CEO Frank Kneller, has achieved an outstanding record of accomplishments and has operated profitability for the past several years. Its combination with Sungevity's best-in-class technology and brand, should create one of the nation's fastest growing and profitable residential solar providers."

The merger of Solar Spectrum and Horizon Solar will create the second largest provider of residential solar systems in California and the fourth largest in the United States. Residential solar power generation is a \$9 billion annual industry with a total addressable market in the United States of \$800 billion. Solar Spectrum and Horizon Solar will operate under the Sungevity brand.

The merger was orchestrated by Solar Spectrum's shareholders led by Northern Pacific Group which is based in Wayzata, Minnesota. The transaction closed on August 17, 2017. Following the transaction, Solar Spectrum's shareholder group includes Northern Pacific Group, International, Hercules Capital, DGB Investments, Bindley Capital and the management teams of Horizon Solar and Solar Spectrum. Hercules Capital provided senior debt financing. Terms of the transaction were not disclosed.

About Hercules Capital, Inc.

Hercules Capital, Inc. (NYSE: HTGC) ("Hercules") is the leading and largest specialty finance company focused on providing senior secured venture growth loans to high-growth, innovative venture capital-backed companies in a broad variety of technology, life sciences and sustainable and renewable technology industries. Since inception (December 2003), Hercules has committed more than \$6.9 billion to over 380 companies and is the lender of

choice for entrepreneurs and venture capital firms seeking growth capital financing. Companies interested in learning more about financing opportunities should contact info@htgc.com, or call 650.289.3060.

Hercules' common stock trades on the New York Stock Exchange (NYSE) under the ticker symbol "HTGC." In addition, Hercules has one outstanding bond issuances of 6.25% Unsecured Notes due July 2024 (NYSE: HTGX).

Forward-Looking Statements

This press release 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 press release is made as of the date hereof and reflects Hercules most current assessment of its historical financial performance. Actual financial results filed with the SEC may differ from those contained herein due to timing delays between the date of this release and confirmation of final audit results. These forward-looking statements are not guarantees of future performance and are subject to uncertainties and other factors that could cause actual results to differ materially from those expressed in the forward-looking statements including, without limitation, the risks, uncertainties, including the uncertainties surrounding the current market volatility, and other factors the Company identifies from time to time in its filings with the SEC. Although Hercules believes that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions also could be incorrect. You should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this release are made as of the date hereof, and Hercules assumes no obligation to update the forward-looking statements for subsequent events.

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Hercules Capital, Inc.
Michael Hara, 650-433-5578 HT-HN
Investor Relations and Corporate Communications
mhara@htgc.com

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