

September 28, 2018



Hercules' Debt Investment Portfolio Expected to Generate an Additional \$0.04 of Net Investment Income Earnings Annually(2) from the Recent Increase in the Federal Reserve Benchmark Interest Rate

- *97.2% of Hercules' existing Debt Investment Portfolio is priced at floating interest rates, as of June 30, 2018*
- *92.8% of the Company's outstanding debt liability obligations are fixed rate, as of June 30, 2018*
- *The Prime Rate increased from 5.00% to 5.25%*
- *A 25 basis point increase in the Prime Rate is anticipated to generate approximately \$3.5 million, or \$0.04 per share of additional Net Investment Income or "NII" (2)*

PALO ALTO, Calif.--(BUSINESS WIRE)-- [Hercules Capital, Inc.](#) (NYSE: HTGC) ("Hercules" or the "Company"), the leading specialty finance company to innovative, venture growth, pre-IPO and M&A stage companies backed by leading venture capital firms, today announced the estimated accretive impact to its debt investment portfolio attributed to the Federal Reserve - Federal Open Market Committee's ("FOMC") increase in the federal funds rate by 25 basis points, or 0.25%.

Hercules anticipates a 25 basis point increase in the Prime Rate will contribute approximately \$3.5 million, or \$0.04 per share, of NII per annum, based on the basic weighted share outstanding as of June 30, 2018. As of June 30, 2018, 97.2% of Hercules' debt investment portfolio of \$1.55 billion, at cost, was primarily priced at PRIME or LIBOR-based floating interest rates, while 92.8% of the Company's outstanding debt obligations have a fixed rate of interest. Given the expected increase to the Prime Rate will be taking effect late September 2018, the anticipated increase is not expected to have any material impact to our NII in Q3 2018. The expected benefit from the September 2018 rate increase is expected to materialize beginning with our Q4 2018 operating period.

Based on Hercules' Consolidated Statement of Assets and Liabilities as of June 30, 2018, the following table illustrates the approximate annualized increase in components of net income resulting from hypothetical base rate changes in interest rates, such as prime rate, assuming no changes in the Company's investments and borrowings or (cost of borrowings).

(in thousands) Basis Point Change	Interest Income⁽¹⁾	Interest Expense	Net Income	EPS⁽²⁾
25	\$ 3,489	\$ 36	\$ 3,453	\$ 0.04
50	\$ 7,061	\$ 71	\$ 6,990	\$ 0.08
75	\$ 10,632	\$ 107	\$ 10,525	\$ 0.12
100	\$ 14,353	\$ 143	\$ 14,210	\$ 0.16
200	\$ 28,988	\$ 286	\$ 28,702	\$ 0.33
300	\$ 43,172	\$ 429	\$ 42,743	\$ 0.49

(1) Source: Hercules Capital Form 10-Q for Q2 2018

(2) EPS calculated on basic weighted shares outstanding of 87,125. Estimates are subject to change due to impact from active participation in the Company's equity ATM program and any future equity offerings.

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 \$8.0 billion to over 430 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 five outstanding bond issuances of 6.25% Notes due 2024 (NYSE: HTGX), 4.375% Convertible Notes due 2022, 4.625% Notes due 2022, 5.25% Notes due 2025 (NYSE: HCXZ) and 6.25% Notes due 2033 (NYSE: HCXY).

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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