

*January 2019*

## 2019 SECURITIZATION SUPPLEMENTAL SLIDES

*Financing the Growth of Tomorrow's Companies Today™*

**Hercules**<sup>®</sup>  
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# 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 VENTURE LENDING LOSS / PREPAYMENT HISTORY<sup>(1)</sup>

SINCE INCEPTION, HERCULES HAS EXPERIENCED AN AGGREGATE OF 2.1% IN NET CHARGE-OFFS (~15 BPS PER ANNUM)

Combined Net Charge-Off History of Hercules Debt Investments (2004-September 30, 2018)<sup>(2)</sup>

Funding Year	Debt Findings (US \$MM)	Charge-Off Year (Amount of Net Charge-Offs in US \$MM)															Sept 30, 2018	Total Net Charge-Offs (\$mm)	Total Net Charge-Off as % of Loans Funded (\$mm)
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017				
2004	16.7	0.0	0.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	14.4%
2005	175.3		0.0	2.5	0.0	0.0	3.9	0.1	0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	4.0%
2006	193.0			0.0	0.0	1.7	0.0	7.1	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0	8.5	4.4%
2007	355.5				0.0	0.5	25.7	0.0	0.3	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.2	9.9%
2008	346.0					0.0	0.7	21.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.8	6.3%
2009	95.5						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
2010	320.4							0.0	4.0	0.0	0.0	0.0	1.2	0.4	0.0	0.0	0.0	5.6	1.7%
2011	433.4								0.0	0.0	1.4	(0.7)	(1.0)	0.0	0.0	0.0	0.0	(0.3)	-0.1%
2012	459.3									0.0	8.1	(1.2)	0.3	0.3	0.0	0.0	0.0	7.5	1.6%
2013	491.1										0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2	0.0%
2014	611.0											0.0	0.0	6.3	24.2	0.0	0.0	30.5	5.0%
2015	694.1												0.0	0.0	0.0	8.6	8.6	1.2%	
2016	660.5													0.0	0.5	4.5	5.0	0.8%	
2017	754.8														0.0	0.0	0.0	0.0	0.0%
Sept 30, 2018	668.5															0.0	0.0	0.0	0.0%
<b>Total</b>	<b>6,275.1</b>	<b>0.0</b>	<b>0.0</b>	<b>4.9</b>	<b>0.0</b>	<b>2.2</b>	<b>30.3</b>	<b>28.3</b>	<b>4.4</b>	<b>9.1</b>	<b>9.5</b>	<b>(1.9)</b>	<b>0.7</b>	<b>7.0</b>	<b>24.4</b>	<b>13.1</b>	<b>132.0</b>	<b>2.1%</b>	

Combined Prepayment History by % of Hercules Debt Investments (2004-September 30, 2018)

Funding Year	Debt Findings (US \$MM)	Prepayment Year (Prepayment as % of Debt Findings per Year)															Sept 30, 2018	Total	
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017				
2004	16.7	0.0%	0.0%	23.4%	6.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.9%
2005	175.3		7.1%	10.5%	13.1%	2.2%	5.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.2%
2006	193.0			0.0%	3.2%	11.8%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.1%
2007	355.5				2.4%	11.0%	10.9%	14.1%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	41.8%
2008	346.0					0.1%	14.4%	4.7%	6.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.9%
2009	95.5						0.0%	4.5%	23.4%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.7%
2010	320.4							3.1%	26.1%	24.2%	5.1%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	61.2%
2011	433.4								0.0%	10.5%	29.6%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	44.1%
2012	459.3									0.0%	22.8%	26.1%	6.8%	0.2%	0.0%	0.0%	0.0%	0.0%	55.9%
2013	491.1										11.9%	35.7%	11.2%	0.2%	0.2%	0.0%	0.0%	0.0%	59.2%
2014	611.0											6.1%	30.6%	13.9%	4.4%	0.1%	0.0%	0.0%	55.1%
2015	694.1												16.7%	30.3%	28.1%	20.9%	0.0%	0.0%	96.0%
2016	660.5													4.0%	35.6%	27.8%	0.0%	0.0%	67.4%
2017	754.8														6.2%	12.3%	0.0%	0.0%	18.6%
Sept 30, 2018	668.5															0.0%	0.0%	0.0%	0.0%
<b>Total<sup>(3)</sup></b>	<b>6,275.1</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.4%</b>	<b>0.6%</b>	<b>1.1%</b>	<b>1.7%</b>	<b>1.3%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>4.9%</b>	<b>5.7%</b>	<b>6.2%</b>	<b>5.2%</b>	<b>8.1%</b>	<b>6.7%</b>	<b>46.2%</b>		

Note: The tables above provide a history of net charge-offs on a realized basis in accordance with Generally Accepted Accounting Principles ("GAAP") experienced by Hercules.

(1) Includes loans to venture stage life sciences, technology, and lower middle market companies.  
 (2) Does not include realized gains or losses on warrants or equity investments.  
 (3) Percentages reflect the amount prepaid over Total Debt Funded across all years.

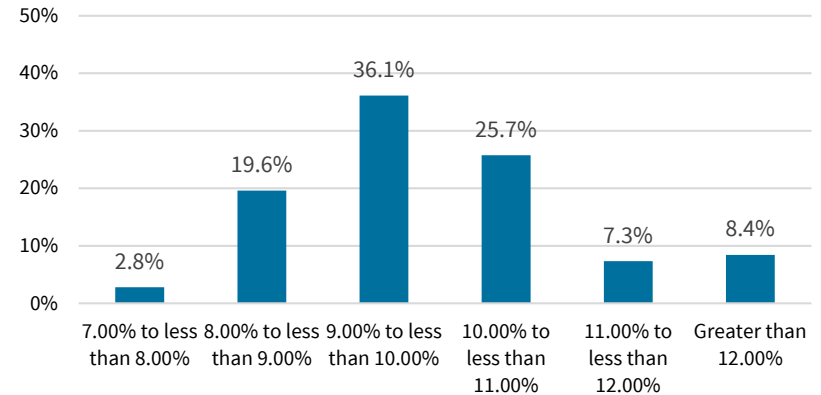


# INITIAL LOAN POOL HIGHLIGHTS<sup>(1)</sup>

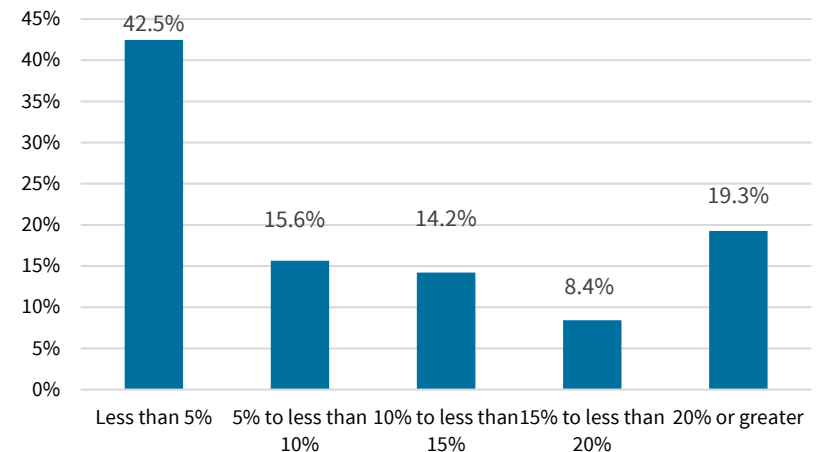
## Loan Pool Highlights

Pool Balance	\$357,179,128
Number of Obligor	34
Number of Loans	41
Average Outstanding Funded Balance per Obligor	\$10,505,268
Average Outstanding Funded Balance per Loan	\$8,711,686
Weighted Average Loan-to-Value Ratio <sup>(2)</sup>	10.5%
Range of Loan-to-Value Ratio <sup>(2)</sup>	0.9% to 31.8%
Weighted Average Original Term to Maturity (mos.)	47.8
Range of Original Term to Maturity (mos.)	29 to 71
Weighted Average Remaining Term to Maturity (mos.)	38.3
Range of Remaining Term to Maturity (mos.)	13 to 58
Weighted Average Seasoning (mos.)	9.5
Range of Seasoning (mos.)	0 to 57
Floating Rate Loans (% of Pool Balance)	100%
Weighted Average Current Rate	9.9%
Range of Current Rate	7.9% to 12.3%
Weighted Average Exit Fees	4.2%
Range of Exit Fees	0.0% to 13.0%
Weighted Average Cash Yield <sup>(3)</sup>	12.6%
Weighted Average Credit Score <sup>(4)</sup>	2.0
Range of Credit Score <sup>(4)</sup>	1 to 3

## Loan Pool by Current Coupon



## Loan Pool Distribution by Loan-to-Value Ratio<sup>(2)</sup>



(1) Loan Pool balance as of December 31, 2018.

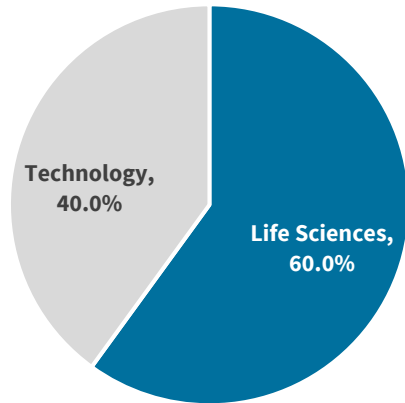
(2) Loan-to-Value Ratio ("LTV") reflects the principal balance for each Obligor under section "Schedule of Investments as of September 30, 2018 in the Q3 2018 HTGC Financial Statement divided by the "Value" of the Obligor of the Loan. The "Value" was either (i) the Obligor's September 30, 2018 market capitalization per Capital IQ if the company was listed as "Public" under the "Private" / "Public" attribute or (ii) the "Blended HTGC Est. Average (Current Quarter)" value as listed under the Loan to Value Calculation Table in the Company's QRM if the company was listed as a value other than "Public".

(3) Cash Yield is calculated as of the Cutoff Date and includes end of term fees. Does not include PIK interest or front end fees.

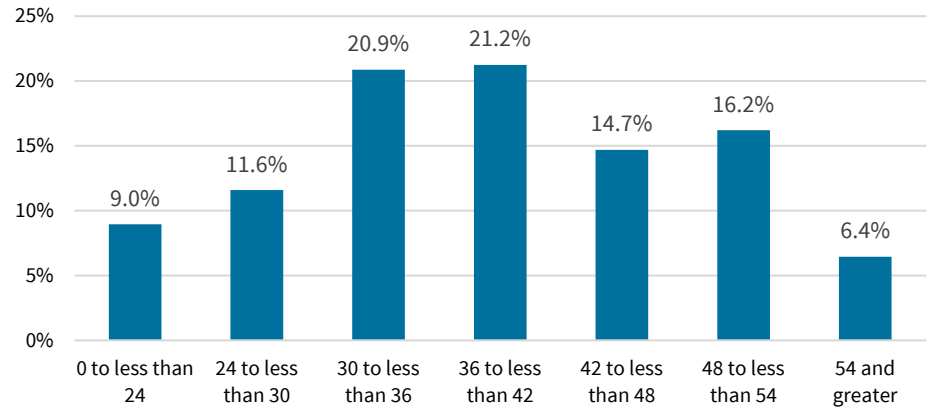
(4) Credit Score as of September 30, 2018. Hercules' internal credit scoring system ranges from 1 to 5 with lower grade scores representing safer assets.

# INITIAL LOAN POOL HIGHLIGHTS<sup>(1)</sup> (CONT'D)

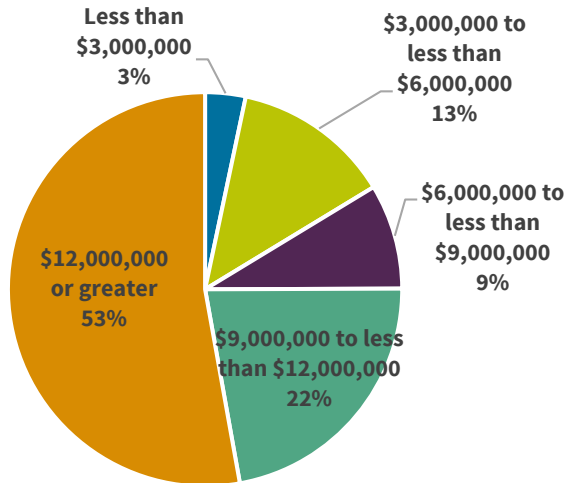
## Loan Pool by Obligor Product Type



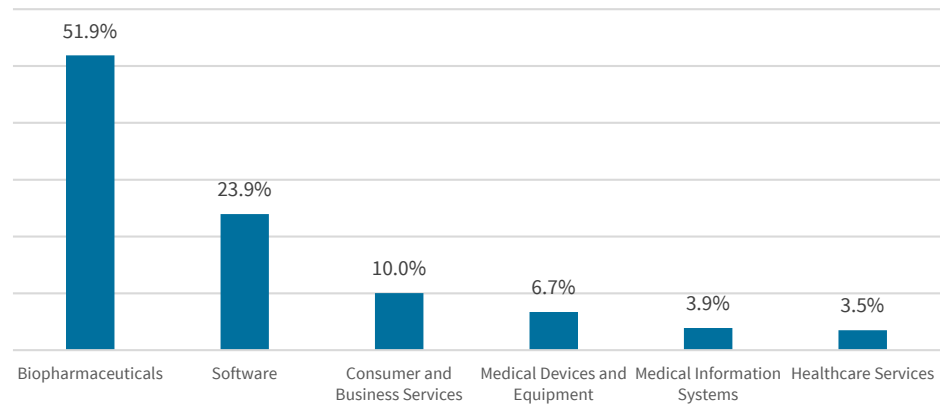
## Loan Pool by Remaining Term (months)



## Loan Pool by Outstanding Loan Balance



## Loan Pool by Obligor Sector



(1) Loan Pool characteristics as of December 31, 2018.