

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

March 4, 2021

**Hercules Capital, Inc.**  
(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction  
of incorporation)

**814-00702**  
(Commission File No.)

**74-3113410**  
(I.R.S. Employer  
Identification No.)

400 Hamilton Ave., Suite 310  
Palo Alto, CA

(Address of principal executive offices)

94301

(Zip Code)

Registrant's telephone number, including area code: **(650) 289-3060**

Not Applicable

(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	HTGC	New York Stock Exchange
5.25% Notes due 2025	HCXZ	New York Stock Exchange
6.25% Notes due 2033	HCXY	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

As previously disclosed, on November 2, 2020, Hercules Capital, Inc. (the “Company”) and certain qualified institutional investors entered into the First Supplement (the “Supplement”) to the Note Purchase Agreement dated as of February 5, 2020 (the “Note Purchase Agreement”). The Supplement provides for the issuance of \$100,000,000 in aggregate principal amount of senior unsecured notes, consisting of \$50,000,000 in aggregate principal amount of notes with a fixed interest rate of 4.50% per year, which were issued on November 4, 2020 (the “4.50% Notes”) and \$50,000,000 in aggregate principal amount of notes with a fixed interest rate of 4.55% per year, which were issued on March 4, 2021 (the “4.55% Notes” and, together with the 4.50% Notes, the “Notes”). The Notes will mature on March 4, 2026 unless redeemed, purchased, or prepaid prior to such date by the Company or its affiliates in accordance with their terms.

Interest on the Notes will be due semiannually. In addition, the Company is obligated to offer to repay the Notes at par if an externalization or certain change in control events occur. The Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

The Company intends to use the net proceeds from this offering (i) to pay down existing credit facilities, (ii) to fund investments in debt and equity securities in accordance with its investment objective, and (iii) for other general corporate purposes.

The Note Purchase Agreement, as modified by the Supplement, contains customary terms and conditions for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company’s status as a business development company within the meaning of the Investment Company Act of 1940, as amended, minimum shareholders’ equity, maximum debt to equity ratio and minimum unencumbered asset coverage ratio. The Note Purchase Agreement, as modified by the Supplement, also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness of the Company or subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy.

The Notes were offered in reliance on Section 4(a)(2) of Securities Act of 1933, as amended (the “Securities Act”). The Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

The information on this Current Report on Form 8-K shall not constitute an offer to sell or a solicitation of an offer to purchase the Notes or any other securities.

The description above is only a summary of the material provisions of the Note Purchase Agreement and the Supplement and is qualified in its entirety by reference to the copies of the Note Purchase Agreement and the Supplement, which are filed as Exhibits 10.1 and 10.2, respectively, to this current report on Form 8-K and are incorporated herein by reference thereto.

**Item 8.01. Other Events.**

The Company issued a press release on March 4, 2021 to announce the closing of the 4.55% Notes, a copy of which is attached hereto as Exhibit 99.1.

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### **Forward-Looking Statements**

This Current Report on Form 8-K, including the press release attached hereto as Exhibit 99.1, may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The information disclosed herein is made as of the date hereof. Actual events, including the use of proceeds from the offering of the Notes, may differ from those described herein. These forward-looking statements are not guarantees of future events 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 Securities and Exchange Commission (the “SEC”). Although the Company 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 the Company assumes no obligation to update the forward-looking statements for subsequent events.

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## Shelf Registration Statement Update

The Company previously filed with the SEC a registration statement on Form N-2 on April 29, 2019 (File No.: 333-231089) (the “Registration Statement”) using the “shelf” registration process as a “well-known seasoned issuer” in reliance on the Small Business Credit Availability Act. Certain items required by Form N-2 have been incorporated by reference into the Registration Statement through documents filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, including the Company’s most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed on February 23, 2021 (the “Form 10-K”), that are incorporated or deemed incorporated by reference into the prospectus that is part of the Registration Statement (the “Prospectus”).

The purpose of this Shelf Registration Statement Update (the “Update”) is to file certain information that is required to be disclosed on Form N-2 but that was not required to be disclosed in the Form 10-K, so that this information is incorporated by reference into the Registration Statement. This Update should be read in conjunction with the Form 10-K, which is incorporated by reference herein.

Following is a schedule of financial highlights for the five years ended December 31, 2015. This should be read in conjunction with the Company’s financial highlights for the five years ended December 31, 2020, which are contained in the Form 10-K.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Per share data(1):					
<b>Net asset value at beginning of period</b>	\$ 10.18	\$ 10.51	\$ 9.75	\$ 9.83	\$ 9.50
Net investment income	1.06	1.16	1.24	0.98	0.92
Net realized gain on investments	0.07	0.32	0.25	0.06	0.06
Net unrealized appreciation (depreciation) on investments	(0.51)	(0.33)	0.20	(0.09)	0.11
<b>Total from investment operations</b>	0.62	1.15	1.69	0.95	1.09
Net increase (decrease) in net assets from capital share transactions(1)	0.26	(0.37)	0.10	(0.14)	0.07
Distributions of net investment income(6)	(1.26)	(1.27)	(1.13)	(0.98)	(0.90)
Stock-based compensation expense included in investment income(2)	0.14	0.16	0.10	0.09	0.07
<b>Net asset value at end of period</b>	<u>\$ 9.94</u>	<u>\$ 10.18</u>	<u>\$ 10.51</u>	<u>\$ 9.75</u>	<u>\$ 9.83</u>
Ratios and supplemental data:					
Per share market value at end of period	\$ 12.19	\$ 14.88	\$ 16.40	\$ 11.13	\$ 9.44
Total return(3)	(9.70%)	(1.75%)	58.49%	28.28%	-0.83%
Shares outstanding at end of period	72,118	64,715	61,837	52,925	43,853
Weighted average number of common shares outstanding	69,479	61,862	58,838	49,068	42,988
Net assets at end of period	\$ 717,134	\$ 658,864	\$ 650,007	\$ 515,968	\$ 431,041
Ratio of total expense to average net assets(4)	11.55%	10.97%	11.06%	10.28%	9.61%
Ratio of net investment income before investment gains and losses to average net assets(4)	10.15%	10.94%	12.12%	10.01%	9.45%
Portfolio turnover rate(5)	46.34%	56.15%	56.05%	N/A	N/A
Average debt outstanding	\$ 615,198	\$ 535,127	\$ 580,053	\$ 360,857	\$ 238,873
Weighted average debt per common share	\$ 8.85	\$ 8.65	\$ 9.86	\$ 7.35	\$ 5.56

- (1) All per share activity is calculated based on the weighted average shares outstanding for the relevant period, except net increase (decrease) in net assets from capital share transactions, which is based on the common shares outstanding as of the relevant balance sheet date.
- (2) Stock option expense is a non-cash expense that has no effect on net asset value. Pursuant to ASC 718, net investment income includes the expense associated with the granting of stock options which is offset by a corresponding increase in paid-in capital.
- (3) The total return for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 equals the change in the ending market value over the beginning of the period price per share plus dividends paid per share during the period, divided by the beginning price assuming the dividend is reinvested on the date of the distribution.
- (4) All ratios are calculated based on weighted average net assets for the relevant period.
- (5) The portfolio turnover rate for the years ended December 31, 2015, 2014 and 2013 equals the lesser of investment portfolio purchases or sales during the period, divided by the average investment portfolio value during the period.
- (6) Includes dividends on unvested shares.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

10.1 [Note Purchase Agreement, dated as of February 5, 2020, by and among Hercules Capital, Inc. and the Purchasers party thereto.\\*](#)

10.2 [First Supplement to the Note Purchase Agreement, dated as of November 2, 2020, by and among Hercules Capital, Inc. and the Additional Purchasers party thereto\\*\\*](#)

99.1 [Press Release, dated March 4, 2021.](#)

\* Previously filed as Exhibit 10.1 to the Current Report on Form 8-K of the Company, filed on February 6, 2020.

\*\* Previously filed as Exhibit 10.2 to the Current Report on Form 8-K of the Company, filed on November 4, 2020.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

March 4, 2021

HERCULES CAPITAL, INC.

By: /s/ Melanie Grace  
Melanie Grace  
General Counsel



## Hercules Capital Completes Investment Grade Bond Offering of \$50.0 Million of 4.55% Notes due March 2026

**PALO ALTO, Calif., March 4, 2021** – Hercules Capital, Inc. (NYSE: HTGC) (“Hercules” or the “Company”) today announced the completed issuance of a private offering in aggregate principal amount of \$50.0 million 4.55% Notes due March 2026 (the “March B Notes”). On November 4, 2020, the Company completed the initial issuance of \$50.0 million 4.50% Notes due March 4, 2026, which were initially assigned a BBB+ rating by Kroll Bond Rating Agency.

The March B Notes are unsecured and bear an interest rate of 4.55% per year, payable semiannually and will mature on March 4, 2026, and may be redeemed in whole or in part at any time or from time to time at the Company’s option at any time plus a premium, if applicable. The issuance of \$50.0 million of the March Notes occurred on March 4, 2021.

The Company expects to use the net proceeds from this offering (i) to pay down existing credit facilities, (ii) to fund investments in debt and equity securities in accordance with its investment objective, and (iii) for other general corporate purposes.

Goldman Sachs & Co. LLC was the sole placement agent of this offering.

### **About Hercules Capital, Inc.**

Hercules Capital, Inc. (NYSE: HTGC) 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 \$11.1 billion to over 520 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](mailto:info@htgc.com), or call 650.289.3060.

Hercules’ common stock trades on the New York Stock Exchange (NYSE) under ticker symbol HTGC. In addition, Hercules has two retail bond issuances of 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.

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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.

**Contact:**

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