

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission File No. 814-00702

HERCULES CAPITAL, INC.

(Exact name of Registrant as specified in its charter)

Maryland

74-3113410

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

1 North B Street, Suite 2000

San Mateo, California 94401

(Address of principal executive offices) (Zip Code)

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

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

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Common Stock, par value \$0.001 per share

HTGC

New York Stock Exchange

6.25% Notes due 2033

HCXY

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Auditor Firm Id: 238 Auditor Name: PricewaterhouseCoopers, LLP Auditor Location: San Francisco, CA

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company 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 a new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$ 3.26 billion based upon a closing price of \$20.45 reported for such date on the New York Stock Exchange. Common shares held by each executive officer and director and by each person who owns 10% or more of the outstanding common shares have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not intended and shall not be deemed to be an admission that, such persons are affiliates of the Registrant.

On February 6, 2025, there were 173,154,658 shares outstanding of the registrant's common stock, \$0.001 par value.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant's 2025 Annual Meeting of Stockholders, which will be filed subsequent to the date hereof, are incorporated by reference into Part III of this Annual Report on Form 10-K. Such proxy statement will be filed with the Securities and Exchange Commission not later than 120 days following the end of the registrant's fiscal year ended December 31, 2024.

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FORM 10-K
ANNUAL REPORT

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Hercules Capital, Inc., our logo and other trademarks of Hercules Capital, Inc. are the property of Hercules Capital, Inc. All other trademarks or trade names referred to in this Annual Report on Form 10-K are the property of their respective owners.

In this Annual Report on Form 10-K, or Annual Report, the "Company," "Hercules," "we," "us," and "our" refer to Hercules Capital, Inc., its wholly owned subsidiaries, and its affiliated securitization trust unless the context otherwise requires.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements that involve substantial risks and uncertainties. You can identify these statements using forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue" or "believe" or the negatives of, or other variations on, these terms or comparable terminology. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects, and expectations concerning our business, operating results, financial condition, and other similar matters. We believe that it is important to communicate our future expectations to our investors. Our forward-looking statements include information in this report regarding general domestic and global economic conditions, our future financing plans, our ability to operate as a business development company ("BDC") and the expected performance of, and the yield on, our portfolio companies. There may be events in the future, however, that we are not able to predict accurately or control. The factors listed under "Risk Factors" in this Annual Report, as well as any cautionary language in this Annual Report, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. The occurrence of the events described in these risk factors and elsewhere in this Annual Report could have a material adverse effect on our business, results of operations and financial position. Any forward-looking statement made by us in this Annual Report speaks only as of the date of this Annual Report. Factors or events that could cause our actual results to differ from our forward-looking statements may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

PART I

Item 1. Business

GENERAL

Hercules Capital, Inc. is a specialty finance company focused on providing senior secured loans to high-growth, innovative venture capital-backed and institutional-backed companies in a variety of technology and life sciences industries. We make investments in companies that are active across a variety of technology-related industry sub-sectors or are characterized by products or services that require advanced technologies, including, but not limited to, computer software and hardware, networking systems, semiconductors, semiconductor capital equipment, information technology infrastructure or services, consumer and business services, telecommunications, telecommunications equipment and media. Within the life sciences sub-sector, we generally focus on medical devices, bio-pharmaceutical, drug discovery and development, drug delivery, health care services and information systems companies.

Our primary business objectives are to increase our net income, net investment income, and net asset value ("NAV") through our investments in primarily Structured Debt or senior secured debt instruments of venture capital-backed and institutional-backed companies across a variety of technology-related industries at attractive yields. We use the term "Structured Debt" to refer to a debt investment that is structured with an equity, warrant, option, or other right to purchase or convert into common or preferred equity investments. We aim to achieve our business objectives by maximizing our portfolio total return through generation of current income from our debt investments and capital appreciation from our warrant and equity investments.

We, our subsidiaries or our affiliates, may also agree to manage certain other funds that invest in debt, equity or provide other financing or services to companies in a variety of industries for which we may earn management or other fees for our services. We may also invest in the equity of these funds, along with other third parties, from which we would seek to earn a return and/or future incentive allocations. Some of these transactions could be material to our business. Consummation of any such transaction will be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions, which may include, depending on the transaction and without limitation, the approval of our Board of Directors (the "Board"), required regulatory or third-party consents, and/or the approval of our stockholders. Accordingly, there can be no assurance that any such transaction would be consummated. Any of these transactions or funds may require significant management resources either during the transaction phase or on an ongoing basis depending on the terms of the transaction.

CORPORATE STRUCTURE

We are an internally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940 (the "1940 Act"). As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities of private U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. As a BDC, we must also maintain a coverage ratio of total assets to total senior securities, which include all of our borrowings (including accrued interest payable) except for debentures issued by the Small Business Administration (the "SBA") and any preferred stock we may issue in the future, of at least 150% subsequent to each borrowing or issuance of senior securities. Certain of our wholly owned subsidiaries are licensed to operate as small business investment companies (each an "SBIC") under the authority of the SBA. Through SBIC licensed vehicles we may access capital from the SBA debenture program. See "Regulation" for additional information related to our capital requirements.

As an internally managed BDC, we do not pay management or advisory fees, but instead incur costs customary for an operating company and are governed through supervision by our Board. Some of those costs include recruiting and marketing expenses as well as the costs associated with employing management, investment and portfolio management professionals, and technology, administrative and other support personnel. In connection with our recruiting, branding and marketing efforts, we may, among other things, make charitable contributions in amounts we believe to be immaterial and that do not exceed \$500 thousand in the aggregate in any year. We believe that many of these contributions help us raise our profile in the communities and benefit us in attracting and retaining talent and investment opportunities.

Effective January 1, 2006, we elected to be treated for U.S. federal tax purposes as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended ("the Code"). As a RIC, we generally will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain (i.e., net realized long-term capital gains in excess of net realized short-term capital losses) we distribute (or are deemed to distribute) as dividends for U.S. federal income tax purposes to stockholders with respect to that taxable year. We will be subject to a 4% non-deductible U.S. federal excise tax on certain undistributed income and gains unless we make distributions treated as dividends for U.S. federal income tax purposes in a timely manner to our stockholders in respect of each calendar year subject to certain requirements as defined for RICs. See "Certain United States Federal Income Tax Considerations" for additional information. Additionally, we have established wholly owned subsidiaries that are not consolidated for U.S. federal tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities as a result of their ownership of certain portfolio investments.

In 2020, we formed Hercules Capital Management LLC and Hercules Adviser LLC as wholly owned Delaware limited liability subsidiaries. We were granted no-action relief by the staff of the Securities and Exchange Commission ("SEC") to allow Hercules Adviser LLC (the "Adviser Subsidiary") to register as a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). See "— Regulation—No-Action and Exemptive Relief Obtained" for additional information regarding our Adviser Subsidiary. The Adviser Subsidiary provides investment advisory and related services to investment vehicles ("Adviser Funds") owned by one or more unrelated third-party investors ("External Parties"). The Adviser Subsidiary is owned by Hercules Capital Management LLC and collectively held and presented with Hercules Partner Holdings, LLC, which separately wholly owns the general partnership vehicles to each of the Adviser Funds.

CORPORATE HISTORY AND OFFICES

We are a Maryland corporation formed in December 2003 that began investment operations in September 2004. On February 25, 2016, we changed our name from "Hercules Technology Growth Capital, Inc." to "Hercules Capital, Inc." Our principal executive offices are located at 1 North B Street, Suite 2000, San Mateo, California 94401 and our telephone number is (650) 289-3060. We also have offices in Boston, MA, New York, NY, Denver, CO, Westport, CT, Chicago, IL, San Diego, CA, and London, United Kingdom.

AVAILABLE INFORMATION

We file with or submit to the SEC our annual, quarterly, current reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act of 1934, as amended ("the Exchange Act"). We make available, free of charge, on our website our proxy statement, annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports and other publicly filed information available as soon as reasonably practicable after we electronically file such material with, or furnish it to the SEC. Our Internet address where these documents and other information can be found is www.htgc.com. Information contained on our website is not incorporated by reference into this Annual Report, and you should not consider that information to be part of this Annual

Report. Our annual, quarterly, periodic and current reports, proxy statements and other public filings are also available free of charge on the EDGAR Database on the SEC's Internet website at www.sec.gov.

OUR MARKET OPPORTUNITY

We believe that technology-related companies compete in one of the largest and most rapidly growing sectors of the U.S. economy and that continued growth is supported by ongoing innovation and performance improvements in technology products as well as the adoption of technology across virtually all industries in response to competitive pressures. We believe that an attractive market opportunity exists for a specialty finance company focused primarily on investments in Structured Debt, senior debt, and equity securities in technology-related companies for the following reasons:

- technology-related companies have generally been underserved by traditional lending sources;
- unfulfilled demand exists for Structured Debt financing to technology-related companies due to the complexity of evaluating risk in these investments; and
- Structured Debt products are less dilutive than, but are complementary to, equity financing from venture capital and private equity funds.

Technology-Related Companies are Underserved by Traditional Lenders.

We believe many viable technology-related companies backed by financial sponsors have been unable to obtain sufficient growth financing from traditional lenders, including financial services companies such as commercial banks and finance companies. Traditional lenders have continued to consolidate and have adopted a more risk-averse approach to lending. More importantly, we believe traditional lenders are typically unable to underwrite the risk associated with these companies effectively.

The unique cash flow characteristics of many technology-related companies typically include significant research and development expenditures and high projected revenue growth thus often making such companies difficult to evaluate from a credit perspective. In addition, the balance sheets of these companies often include a disproportionately large amount of intellectual property assets, which can be difficult to value. Finally, the speed of innovation in technology and rapid shifts in consumer demand and market share add to the difficulty in evaluating technology-related companies for investment.

Traditional lenders generally do not have flexible product offerings that meet the needs of technology-related companies. The financing products offered by traditional lenders typically impose on borrowers many restrictive covenants and conditions, including limiting cash outflows and requiring a significant depository relationship to facilitate rapid liquidation.

Unfulfilled Demand for Structured Debt Financing to Technology-Related Companies.

Private debt capital in the form of Structured Debt financing from specialty finance companies continues to be an important source of funding for technology-related companies. We believe that the level of demand for Structured Debt financing is a function of the level of annual venture equity investment activity.

We believe that demand for Structured Debt financing for venture capital-backed, technology-related companies continues to be underserved. The venture capital market for the technology-related companies in which we invest has been active. We believe this is an opportune time to be active in the structured lending market for technology-related companies.

Structured Debt Products Complement Equity Financing from Venture Capital and Private Equity Funds.

We believe that technology-related companies and their financial sponsors will continue to view Structured Debt securities as an attractive source of capital because it augments the capital provided by venture capital and private equity funds without further dilution. We believe that our Structured Debt products provide access to growth capital that otherwise may only be available through incremental investments by existing equity investors. As such, we provide portfolio companies and their financial sponsors with an opportunity to diversify their capital sources while minimizing dilution. Generally, we believe many technology-related companies at all stages of development target a portion of their capital to be debt in an attempt to achieve a higher valuation through internal growth. In addition, because financial sponsor-backed companies have reached a more mature stage prior to reaching a liquidity event, we believe our investments could provide the debt capital needed to grow or recapitalize during the extended period sometimes required prior to liquidity events.

OUR BUSINESS STRATEGY

Our strategy to achieve our investment objective includes the following key elements:

Leverage the Experience and Industry Relationships of Our Management Team and Investment Professionals .

We have been investing in venture capital-backed and institutional-backed companies for over 20 years. Our investment professionals are led by individuals with extensive experience as venture capitalists, commercial lenders, and originators of Structured Debt and equity investments in technology-related companies. In addition, our team members have originated Structured Debt, senior debt, and equity investments in over 600 technology-related companies, representing over \$21.0 billion in commitments from inception to December 31, 2024, and have developed a network of industry contacts with investors and other participants within the venture capital and private equity communities. Members of our management team also have operational, research and development and finance experience with technology-related companies. Furthermore, we have established contacts with leading venture capital and private equity fund sponsors, public and private companies, research institutions and other industry participants, which we believe will enable us to identify and attract well-positioned prospective portfolio companies.

We focus our investing activities generally in industries in which our investment professionals have investment experience. We believe that our focus on financing technology-related companies will enable us to leverage our expertise in structuring prospective investments, to assess the value of both tangible and intangible assets, to evaluate the business prospects and operating characteristics of technology-related companies and to identify and originate potentially attractive investments with these types of companies.

Provide Customized Financing Complementary to Financial Sponsors' Capital.

We offer a broad range of investment structures and possess expertise and experience to effectively structure and price investments in technology-related companies. Unlike many of our competitors that only invest in companies that fit a specific set of investment parameters, we have the flexibility to structure our investments to suit the particular needs of our portfolio companies. We offer customized financing solutions ranging from senior debt, including below-investment grade debt instruments, also known as "junk bonds", to equity capital, with a focus on Structured Debt.

We use our relationships in the financial sponsor community to originate investment opportunities. Because venture capital and private equity funds typically invest solely in the equity securities of their portfolio companies, we believe that our debt investments will be viewed as an attractive and complementary source of capital, both by the portfolio company and by the portfolio company's financial sponsor. In addition, we believe that many venture capital and private equity fund sponsors encourage their portfolio companies to use debt financing for a portion of their capital needs as a means of potentially enhancing equity returns, minimizing equity dilution and increasing valuations prior to a subsequent equity financing round or a liquidity event.

Invest at Various Stages of Development.

We provide growth capital to technology-related companies at all stages of development, including select publicly listed companies and select special opportunity lower middle market companies that require additional capital to fund acquisitions, recapitalizations and refinancings and established-stage companies. We believe that this provides us with a broader range of potential investment opportunities than those available to many of our competitors, who generally focus their investments on a particular stage in a company's development. Because of the flexible structure of our investments and the extensive experience of our investment professionals, we believe we are well positioned to take advantage of these investment opportunities at all stages of prospective portfolio companies' development.

Mitigate Risk of Principal Loss and Build a Portfolio of Warrant and Equity Securities.

We expect that our investments have the potential to produce attractive risk-adjusted returns through current income, in the form of interest and fee income, as well as capital appreciation from warrant and equity securities. We believe that we can mitigate the risk of loss on our debt investments through the combination of loan principal amortization after an initial interest only period, cash interest payments, relatively short maturities (typically between 36-48 months), security interests in the assets of our portfolio companies, and on select investment covenants requiring prospective portfolio companies to have certain amounts of available cash at the time of our investment and the continued support from a venture capital or private equity firm. Although we generally do not engage in significant hedging transactions, we may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars, and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates.

Moreover as noted above, our debt investments in venture capital-backed and institutional-backed companies are generally structured with equity enhancement features. These enhancement features typically are received in the form of

warrants, equity securities, or other equity features such as the right to convert our debt or invest in connection with future equity financing rounds. These equity enhancements are considered original issue discounts ("OID") to our loans and are designed to provide us with an opportunity for potential capital appreciation. Warrants received are typically immediately exercisable upon issuance and generally will remain exercisable for the lesser of five to ten years after issuance or three to five years after completion of such portfolio company's initial public offering ("IPO"). The exercise prices for the warrants varies from nominal exercise prices to exercise prices that are at or above the current fair market value of the equity for which we receive warrants. We may structure warrants and other equity investments to provide minority rights provisions or, on a very select basis, put rights upon the occurrence of certain events. We generally target a total annualized return (including interest, fees and value of warrants and other equity investments) of 10% to 20% for our debt investments. We believe these equity interests will create the potential for meaningful long-term capital gains in connection with the future liquidity events of these technology-related companies.

Benefit from Our Efficient Organizational Structure.

We believe that the perpetual nature of our corporate structure enables us to be a long-term partner for our portfolio companies in contrast to traditional investment funds, which typically have a limited life. In addition, because of our access to the public equity markets, we believe that we may benefit from a lower cost of capital than that available to private investment funds. We are not subject to requirements to return invested capital to investors, nor do we have a finite investment horizon. Capital providers that are subject to such limitations are often required to seek a liquidity event more quickly than they otherwise might, which can result in a lower overall return on an investment.

OUR INVESTMENTS AND OPERATIONS

We principally invest in debt securities and, to a lesser extent, warrants and equity securities, with a particular emphasis on Structured Debt. We generally seek to invest in companies that have been operating for at least six to twelve months prior to the date of our investment. We anticipate that such entities may, at the time of investment, be generating revenues or will have a business plan that anticipates generation of revenues within 24 to 48 months. Further, we anticipate that on the date of our investment we will generally obtain a lien on available assets, which may or may not include intellectual property, and these companies will have sufficient cash on their balance sheet to operate as well as potentially pay down the principal on our debt for at least three to nine months following our investment. We generally require that a prospective portfolio company, in addition to having sufficient capital to support leverage, demonstrate an operating plan capable of generating cash flows or raising the additional capital necessary to cover its operating expenses and service its debt, for an additional six to twelve months subject to market conditions.

We expect that our investments will generally range from \$25.0 million to \$100.0 million, although we may make investments in amounts above or below this range. We typically structure our debt securities to provide for amortization of principal over the life of the loan, but may include a period of interest-only payments. Our loans will typically be collateralized by a security interest in the borrower's assets, although we may not have the first claim on these assets and the assets may not include intellectual property. Our debt investments carry fixed or variable contractual interest rates which generally ranged from approximately 8% to 15% as of December 31, 2024. Approximately 97.4% of our loans were at floating rates or floating rates with a floor and 2.6% of the loans were at fixed rates as of December 31, 2024.

In addition to the cash yields received on our loans, our loans generally include one or more of the following: exit fees, balloon payment fees, commitment fees, success fees, or prepayment fees. In some cases, our loans also include contractual payment-in-kind ("PIK") interest arrangements. The increases in loan balances as a result of contractual PIK arrangements are included in income for the period in which such PIK interest was accrued, which is often in advance of receiving cash payment, and are separately identified on our statements of cash flows. We also may be required to include in income for U.S. federal, state, and local tax purposes certain other amounts, such as back end fees, prior to receiving the related cash.

Typically, our debt and equity investments take one of the following forms:

- ***Structured Debt:*** We seek to invest a majority of our assets in debt structured with warrants, equity, options, or other rights to purchase or convert into common or preferred equity investment of prospective portfolio companies. Our investments in Structured Debt may be the only debt capital on the balance sheet of our portfolio companies, and in many cases, we have a first priority security interest in all of our portfolio company's assets. In certain investments, we may have a "negative pledge" (i.e., an agreement by the portfolio company to not pledge its intellectual property) to another lender on intellectual property. Our Structured Debt typically has a maturity of between two and five years, and it may provide for full amortization after an interest only period. Our Structured Debt with warrants carries an interest rate referenced to the U.S. Prime Rate ("Prime"), the Secured Overnight Financing Rate ("SOFR"), Sterling Overnight Index Average ("SONIA"), or a similar benchmark rate plus a spread with a floor and may include an additional exit fee payment or contractual PIK interest arrangements. Additionally, our Structured Debt financings

may include restrictive affirmative and negative covenants, default penalties, prepayment penalties, lien protection, equity calls, change-in-control provisions and board observation rights.

- **Senior Debt:** We seek to invest a limited portion of our assets in senior debt. Senior debt may be collateralized by accounts receivable and/or inventory financing of prospective portfolio companies. Senior debt has a senior position with respect to a borrower's scheduled interest and principal payments and holds a first priority security interest in the assets pledged as collateral. Senior debt also may impose covenants on a borrower with regard to cash flows and changes in capital structure, among other items. We generally collateralize our investments by obtaining security interests in our portfolio companies' assets, which may include their intellectual property. In other cases, we may obtain a negative pledge covering a company's intellectual property. Our senior loans, in certain instances, may be tied to the financing of specific assets. In connection with a senior debt investment, we may also provide the borrower with a working capital line-of-credit that will carry an interest rate generally referenced to Prime, SOFR, SONIA, or a similar benchmark rate plus a spread with a floor, generally maturing in three to five years, and typically secured by accounts receivable and/or inventory. We also provide "unitranche" loans, which are loans that combine both senior and subordinated loans (sometimes referred to as mezzanine debt), generally in a first lien position with security interest in all the assets of the portfolio company. The loans can either be "first out" or "last out", whereby the "last-out" loans will be subordinated to the "first-out" portion of the unitranche loan in a liquidation, sale or other disposition.
- **Equity Securities:** The equity securities we hold consist primarily of warrants or other equity interests generally obtained in connection with our Structured Debt investments. In addition to the warrants received as a part of a Structured Debt financing, we typically receive the right to make equity investments in a portfolio company in connection with that company's next round of equity financing. We may also hold certain debt investments that have the right to convert a portion of the debt investment into equity. These rights will provide us with the opportunity to further enhance our returns over time through opportunistic equity investments in our portfolio companies. These equity investments are typically in the form of preferred or common equity and may be structured with a dividend yield, providing us with a current return, and with customary anti-dilution protection and preemptive rights. We may achieve liquidity through a merger or acquisition of a portfolio company, a public offering of a portfolio company's stock or by exercising our right, if any, to require a portfolio company to buy back the equity securities we hold. We may also make stand-alone direct equity investments into portfolio companies in which we may not have any debt investment in the company. As of December 31, 2024, we held warrant and equity securities in 151 portfolio companies.

In addition to the characteristics described above, the table below compares the typical features of our investments.

	Structured Debt	Senior Debt	Equity Securities
Typical Structure	Term debt with warrants	Term or revolving debt	Warrants, preferred equity securities, or common equity securities
Investment Horizon	Long-term: 2 to 5 years; Average of 3.5 years	Long-Term: 3 to 5 years Typically under 4 years	3 to 7 years
Covenants	Less restrictive; mostly financial	Generally borrowing base and financial	None

Investment Criteria

We have identified several criteria, among others, that we believe are important in achieving our investment objective with respect to prospective portfolio companies. These criteria, while not inclusive, provide general guidelines for our investment decisions. However, not all of these criteria have been, or will be, met in connection with each of our investments.

Portfolio Composition - While we generally focus our investments in venture capital-backed and institutional-backed companies in a variety of technology-related industries, we seek to invest across various financial sponsors as well as across various stages of companies' development and various technology-related industry sub-sectors and geographies. As of December 31, 2024, approximately 85.9% of the fair value of our portfolio was composed of investments in four industries: 29.5% was composed of investments in the "Software" industry, 29.5% was composed of investments in the "Drug Discovery & Development" industry, 16.7% was composed of investments in the "Healthcare Services, Other" industry and 10.2% was composed of investments in the "Consumer & Business Services" industry.

Continuing Support from One or More Financial Sponsors - We generally invest in companies in which one or more established financial sponsors have previously invested and continue to make a contribution to the management of the business. We believe that having established financial sponsors with meaningful commitments to the business is a key

characteristic of a prospective portfolio company. In addition, we look for representatives of one or more financial sponsors to maintain seats on the board of directors of a prospective portfolio company as an indication of such commitment.

Company Stage of Development - While we invest in companies at various stages of development, we generally require that prospective portfolio companies be beyond the seed stage of development and generally have received or anticipate having commitments for their first institutional round of equity financing for early-stage companies. We expect a prospective portfolio company to demonstrate progress in its product development or demonstrate a path towards revenue generation or increase its revenues and operating cash flow over time. The anticipated growth rate of a prospective portfolio company is a key factor in determining the value that we ascribe to any warrants or other equity securities that we may acquire in connection with an investment in debt securities.

Operating Plan - We generally require that a prospective portfolio company, in addition to having potential access to capital to support leverage, demonstrate an operating plan capable of generating cash flows or the ability to potentially raise the additional capital necessary to cover its operating expenses and service its debt for a specific period. Specifically, we require that a prospective portfolio company demonstrate at the time of our proposed investment that in addition to having sufficient capital to support leverage, it has an operating plan capable of generating cash flows or raising the additional capital necessary to cover its operating expenses and service its debt for an additional six to twelve months subject to market conditions.

Security Interest - In many instances we seek a first priority security interest in all of the portfolio company's tangible and intangible assets as collateral for our debt investment, subject in some cases to permitted exceptions. In other cases, we may obtain a negative pledge prohibiting a company from pledging or otherwise encumbering their intellectual property. We do not intend to operate as an asset-based lender. However, the estimated liquidation value of the assets, if any, collateralizing the debt securities that we hold is an important factor in our credit analysis, especially when attempting to estimate (subject to assumptions that may change over the life of the investment) the value of intellectual property. We generally evaluate both tangible assets, such as accounts receivable, inventory and equipment, and intangible assets, such as intellectual property, customer lists, networks and databases.

Covenants - Our investments may include one or more of the following covenants: cross-default; material adverse change provisions; requirements that the portfolio company provide periodic financial reports and operating metrics; minimum liquidity requirements; and limitations on the portfolio company's ability to incur additional debt, sell assets, dividend recapture, engage in transactions with affiliates and consummate an extraordinary transaction, such as a merger or recapitalization, without our consent. In addition, we may require other performance or financial based covenants, as we deem appropriate.

Exit Strategy - Prior to making a debt investment that is accompanied by a warrant or other equity security in a prospective portfolio company, we analyze the potential for that company to increase the liquidity of its equity through a future event that would enable us to realize appreciation in the value of our equity interest. Liquidity events may include an IPO, a private sale of our equity interest to a third party, a merger or an acquisition of the company or a purchase of our equity position by the company or one or more of its stockholders.

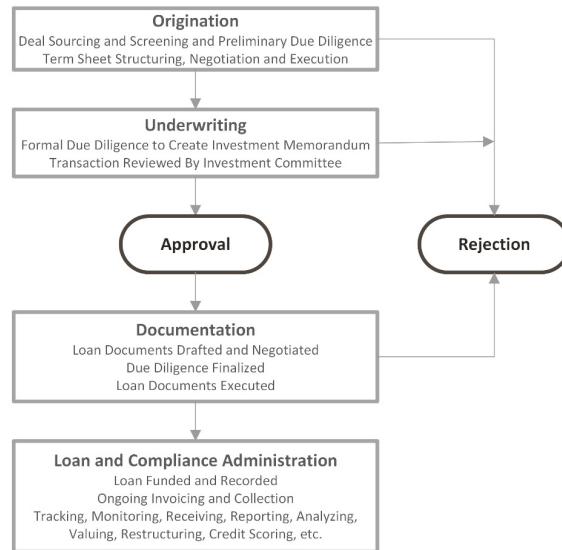
Investment Process

Our investment process is comprised of four key stages:

- Origination;
- Underwriting;
- Documentation; and
- Loan and Compliance Administration.

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Our investment process is summarized in the following chart:



Origination

The origination process for our investments includes sourcing, screening, preliminary due diligence and deal structuring and negotiation, all leading to an executed non-binding term sheet. As of December 31, 2024, our investment origination team, which consists of more than 50 investment professionals, is headed by our Chief Investment Officer and Chief Executive Officer. The origination team is responsible for sourcing potential investment opportunities and members of the investment origination team use their extensive relationships with various leading financial sponsors, management contacts within technology-related companies, trade sources, industry conferences and various publications to source prospective portfolio companies. Our investment origination team is divided into life sciences, venture-backed technology, and private equity/ sponsor-backed technology sub-teams to better source potential portfolio companies.

In addition, we have developed a comprehensive proprietary database to track various aspects of our investment process including sourcing, originations, transaction monitoring and post-investment performance. Our proprietary database allows our origination team to maintain, cultivate and grow our industry relationships while providing our origination team with comprehensive details on companies in the technology-related industries and their financial sponsors.

If a prospective portfolio company generally meets certain underwriting criteria, we perform preliminary due diligence, which may include high level company and technology assessments, evaluation of its financial sponsors' support, market analysis, competitive analysis, identifying key management, risk analysis and transaction size, pricing, return analysis and structure analysis. If the preliminary due diligence is satisfactory, and the origination team recommends moving forward, we then structure, negotiate and execute a non-binding term sheet with the potential portfolio company. Upon execution of a term sheet, the investment opportunity moves to the underwriting process to complete formal due diligence review and approval.

Underwriting

The underwriting review includes formal due diligence and approval of the proposed investment in the portfolio company.

Due Diligence - Our due diligence on a prospective investment is typically completed by two or more investment professionals whom we define as the underwriting team. The underwriting team for a proposed investment consists of the deal sponsor who typically possesses general industry knowledge and is responsible for originating and managing the transaction, other investment professionals who perform due diligence, credit and corporate financial analyses and our legal professionals, as needed. To ensure consistent underwriting, we generally use our standardized due diligence methodologies, which include due diligence on financial performance and credit risk as well as an analysis of the operations and the legal and applicable regulatory framework of a prospective portfolio company. The members of the underwriting team work together to conduct due diligence and understand the relationships among the prospective portfolio company's business plan, operations and financial performance.

As part of our evaluation of a proposed investment, the underwriting team prepares an investment memorandum for presentation to the investment committee. In preparing the investment memorandum, the underwriting team typically interviews select key management of the company and select financial sponsors and assembles information necessary to the investment decision. If and when appropriate, the investment professionals may also contact industry experts and customers, vendors or, in some cases, competitors of the company. The underwriting team collaborates with the credit and legal teams to ensure the final credit underwriting deal structure meets our standards. In addition to the aforementioned members of the investment team, each deal is also assigned to a member of the credit team. The credit team is responsible for making sure that all material risks in the transaction are identified and mitigated to the extent possible in the investment memorandum and that the legal documentation properly reflects the transaction as approved by the investment committee.

Approval Process - The sponsoring managing director or principal presents the investment memorandum to our investment committee for consideration. Each investment requires the approval of at least 80% of the investment committee members who are present and eligible to vote on the matter. The investment committee members include our Chief Executive Officer and Chief Investment Officer, Chief Financial Officer, Chief Credit Officer, and certain other senior investment professionals. The investment committee meets on an as-needed basis.

Documentation

Our legal department administers the documentation process for our investments. This department is responsible for documenting the transactions approved by our investment committee with a prospective portfolio company. This department negotiates loan and other investment documentation and, subject to appropriate approvals, prepares final documents for execution by required parties. The legal department generally engages external law firms to support the documentation process.

Loan and Compliance Administration

Our investment committee oversees the administration of the loans by our investment team, credit team, loan operations team and finance department and tracks covenant compliance, if applicable, of our investments. The investment committee also oversees the periodic review of our critical functions to ensure adherence with our internal policies and procedures. After the funding of a loan in accordance with the investment committee's approval, the loan is recorded in our loan administration software and our proprietary database. The investment team, credit team, loan operations team and finance department are responsible for ensuring timely interest and principal payments and collateral management as well as advising the investment committee on the financial performance and trends of each portfolio company, including any covenant violations that occur, to aid us in assessing the appropriate course of action for each portfolio company and evaluating overall portfolio quality. In addition, the investment team and credit team advise the investment committee and the audit committee of our Board (the "Audit Committee"), accordingly, regarding the credit and investment grading for each portfolio company as well as material changes in the value of collateral that may occur.

The investment team and credit team monitor our portfolio companies in order to determine whether the companies are meeting our financing criteria and their respective business plans. These teams also monitor the financial trends of each portfolio company from its monthly or quarterly financial statements to assess the appropriate course of action for each company and to evaluate overall portfolio quality.

Credit and Investment Grading System. Our investment and credit teams use an investment grading system to characterize and monitor our outstanding loans and debt investments. When appropriate, the teams recommend changes to investment grading. Our investment committee reviews and approves the recommendations and/or changes to the investment grading. These approved investment gradings are provided on a quarterly basis to the Audit Committee and our Board, along with valuations for our investments, which are submitted for approval by the Audit Committee and Board.

From time to time, we will identify investments that require closer monitoring or become workout assets. We develop a workout strategy for workout assets and our investment committee monitors the progress against the strategy. We may incur losses from our investing activities; however, we work with our troubled portfolio companies and their financial sponsors to recover as much of our investments as is practicable, including possibly taking control of the portfolio company. There can be no assurance that principal will be recovered.

We use the following investment grading system for our loans and debt investments:

Description

Loans involve the least amount of risk in our portfolio. The borrower is performing above expectations, and the trends and risk profile is generally favorable.

The borrower is performing as expected and the risk profile is neutral to favorable. All new loans are initially graded 2.

The borrower may be performing below expectations, and the loan's risk has increased materially since origination. We typically increase procedures to monitor a borrower when it is determined that credit risk has increased meaningfully since origination, such as, when the borrower is approaching a low liquidity point and an expected capital raise event is not imminent, when an expected milestone has slipped or failed, when performance or new business is materially below our plan, or if the estimated fair value of the enterprise is materially lower than it was when the loan was originated.

The borrower is performing materially below expectations, and the loan risk has substantially increased since origination with the prospect of raising additional capital significantly in question. Loans graded 4 may experience some partial loss or full return of principal but are expected to realize some loss of interest which is not anticipated to be repaid in full, which, to the extent not already reflected, may require the fair value of the loan to be reduced to the amount we anticipate will be recovered. Grade 4 investments are closely monitored.

The borrower is in workout, materially performing below expectations and a significant risk of principal loss is probable. Loans graded 5 will experience some partial principal loss or full loss of remaining principal outstanding is expected. Grade 5 loans will require the fair value of the loans be reduced to the amount, if any, we anticipate will be recovered.

As of December 31, 2024, our investment portfolio had a weighted average investment grading of 2.26.

COMPETITION

Our primary competitors include non-bank financial institutions, federally or state-chartered banks, venture debt funds, financial institutions, venture capital funds, private equity funds, investment funds and investment banks. Many of these entities have greater financial and managerial resources than we have, and the 1940 Act imposes certain regulatory restrictions on us as a BDC to which many of our competitors are not subject. However, we believe that few of our competitors possess our level of expertise in properly structuring and pricing debt investments to venture capital-backed and institutional capital-backed companies in technology-related industries. We believe that our specialization in financing technology-related companies will enable us to determine a range of potential values of intellectual property assets, evaluate the business prospects and operating characteristics of prospective portfolio companies and, as a result, identify investment opportunities that produce attractive risk-adjusted returns. For additional information concerning the competitive risks we face, see "Item 1A. Risk Factors—Risks Related to our Business Structure—We operate in a highly competitive market for investment opportunities".

HUMAN CAPITAL DISCLOSURES

As an internally managed BDC, we believe that one of the strengths and principal reasons for the long-term success of our company is the quality and dedication of our people. As of December 31, 2024, our team comprises over 100 professionals across our 8 offices globally. Our investment team is comprised of more than 50 employees, and is led by professionals with extensive experience in venture capital, structured finance, origination of debt and equity investments, commercial lending and acquisition finance with technology and biomedical companies. The investment team is supported by treasury, finance, operations, credit management, legal, administrative support, IT and human resources professionals. We leverage the experience and relationships of our management team to successfully identify attractive investment opportunities, underwrite prospective portfolio companies and structure customized financing solutions. Our investment team leverages established contacts with leading venture capital and private equity fund sponsors, public and private companies, research institutions and other industry participants, to identify and source our investments. We believe that leveraging the relationships that our investment teams have established will enable us to continue to identify and attract well-positioned prospective portfolio companies.

Talent Acquisition and Retention

We are committed to attracting, developing, and retaining the right blend of talent to support our business. Our recruiting process is strategic and purposeful to ensure our business and culture continue to thrive. We may contract with employment agencies with whom we have developed relationships and who have learned our culture to assist with our

recruitment efforts. From time to time, we may also contract with independent contractors on a temporary basis. We also sponsor an internship program that invites quality college students from a diverse pool of applicants to learn our business and contribute to our work for a period of approximately six months. Students who intern in our investment teams are provided visibility into the full investment process from due diligence to closing to ongoing portfolio management activities, and the internship may lead to permanent roles.

Retention of our personnel is important to the management of our business and we believe that compensation and benefits and opportunities for professional development are a key driver of retention. We offer a competitive compensation and benefits structure that we believe attracts current and prospective professionals relative to their local markets and industry. Our compensation strategy includes, for certain professionals, equity incentive plans. Such plans are structured to further align the interests of our professionals with those of our stockholders, and to cultivate a strong sense of ownership and commitment to our Company. To foster professional development, we provide training opportunities for our employees to continue to build their skills and increase their effectiveness as members of our team. Such opportunities include a variety of external and internal classes and training sessions as well as hands-on learning and one-on-one mentorship. Through our goal setting and performance review process, employees are evaluated at least annually by managers and senior management to ensure employees continue to develop and advance as expected. As we hire and develop individuals, we also plan for succession. We have succession plans in place for each of our named executive officers.

Our Culture

We are committed to fostering a workplace conducive to the open communication of any concerns regarding unethical, fraudulent or illegal activities. We seek to promote a safe environment that is free of harassment or bullying. We do not tolerate discrimination or harassment of any kind. We seek feedback from employees on matters related to their employment or our operations including its financial statement disclosures, accounting, internal accounting controls or auditing matters. Under our Whistleblower Policy, each director, officer, regular full-time, part-time and temporary employee of the Company has the ability to confidentially report any: questionable or improper accounting, internal controls, auditing matters, disclosure, or fraudulent business practices or other illegal or unethical behavior. We seek to protect the confidentiality of those making reports of possible misconduct and our Whistleblower Policy prohibits retaliation against those who report activities believed in good faith to be a violation of any law, rule, regulation or internal policy.

Our Code of Business Conduct and Ethics establishes applicable policies, guidelines, and procedures that promote ethical practices and conduct by the Company and all its employees, officers, and directors. Upon joining and annually, all employees receive compliance training. Our Whistleblower Policy and Code of Business Conduct and Ethics Policy can be found on our website at investor.htgc.com/corporate-governance/governance-documents. Information contained on our website is not incorporated by reference and into this Annual Report, and you should not consider that information to be part of this Annual Report.

Diversity, Equity, and Inclusion

At Hercules, we feel strongly that building a diverse and inclusive team is an important priority. We aim to attract, motivate, and retain a diverse group of individuals and to create an inclusive community where all individuals are welcomed, valued, respected, and heard. We are proud that our workforce consists of diverse professionals including approximately 50% that are women or people of diverse ethnic backgrounds. We strive to continue to create a welcoming and inclusive work environment for our employees.

Corporate Social Responsibility

Hercules encourages and supports our employees to be active participants in our local communities. As a Company, we support local non-profit organizations by hosting annual fundraising, food, supply, and toy drives. In addition to our Company-sponsored philanthropic initiatives, we also provide employees with paid days off to volunteer at organizations of their choice. Hercules supports a variety of non-profit organizations through corporate sponsorship and donations. In addition, we support our employees and the causes that are most important to them through our Charitable Donation Matching program, in which we match donations our employees make to qualified 501(c)(3) non-profits (subject to maximum limits per employee).

Information on our approach and commitment to social, governance, and environmental (“ESG”) considerations can be found on our website at investor.htgc.com/esg. Information contained on our website is not incorporated by reference and into this Annual Report, and you should not consider that information to be part of this Annual Report.

REGULATION

We have elected to be regulated as a BDC under the 1940 Act. The following discussion is a general summary of the material prohibitions and descriptions governing BDCs. It does not purport to be a complete description of all of the laws and regulations affecting BDCs.

Regulation as a Business Development Company

The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates, principal underwriters and affiliates of those affiliates or principal underwriters. The 1940 Act requires that a majority of the directors of a BDC be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities, which the 1940 Act defines as the lesser of: (i) 67% or more of such company's shares present at a meeting if more than 50% of the outstanding shares of such company are present or represented by proxy, or (ii) more than 50% of the outstanding shares of such company.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. The principal categories of qualifying assets relevant to our business are the following:

- (1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company (as defined below), or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC.
- (2) Securities of any portfolio company which we control, as defined by the 1940 Act.
- (3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.
- (4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.
- (5) Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities.
- (6) Cash, cash equivalents, U.S. Government securities or high-quality debt securities maturing in one year or less from the time of investment.

An eligible portfolio company is defined in the 1940 Act as any issuer which:

- (a) is organized under the laws of, and has its principal place of business in, the United States;
- (b) is not an investment company (other than a SBIC wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and
- (c) satisfies any of the following:
 - i. does not have any class of securities that is traded on a national securities exchange or has a class of securities listed on a national securities exchange but has an aggregate market value of outstanding voting and non-voting common equity of less than \$250 million;
 - ii. is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company; or
 - iii. is a small and solvent company having total assets of not more than \$4 million and capital and surplus of not less than \$2 million.

We do not intend to acquire securities issued by any investment company, including other BDCs, that exceed the limits imposed by the 1940 Act. Under these limits, we generally cannot acquire more than 3% of the voting stock of any investment company (as defined in the 1940 Act), invest more than 5% of the value of our total assets in the securities of one such investment company or invest more than 10% of the value of our total assets in the securities of such other investment companies in the aggregate. SEC rules permit us to exceed these limits, subject to certain conditions. With

regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments might subject our stockholders to additional expenses.

Significant Managerial Assistance

BDCs generally must offer to make available to the issuer of the securities significant managerial assistance, except in circumstances where either (i) the BDC controls such issuer of securities or (ii) the BDC purchases such securities in conjunction with one or more other persons acting together and one of the other persons in the group makes available such managerial assistance. Making available significant managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers or employees, offers to provide and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company through monitoring of portfolio company operations, selective participation in board and management meetings, consulting with and advising a portfolio company's officers or other organizational or financial guidance. With respect to an SBIC, making available managerial assistance means the making of a loan to a portfolio company.

Temporary Investments

Pending investment in other types of qualifying assets, as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets. We may invest in U.S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our total assets constitute repurchase agreements from a single counterparty, we generally would not meet the diversification tests imposed on us by the Code in order to qualify as a RIC for U.S. federal tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. We will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Warrants, Options, and Restricted Stock

Under the 1940 Act, a BDC is subject to restrictions on the amount of warrants, options, or rights to purchase shares of capital stock that it may have outstanding at any time. In particular, the amount of capital stock that would result from the conversion or exercise of all outstanding warrants, options or other rights to purchase or convert into capital stock cannot exceed 25% of the BDC's total outstanding shares of capital stock. This amount is reduced to 20% of the BDC's total outstanding shares of capital stock if the amount of warrants, options or rights issued pursuant to an equity compensation plan for our directors, executive officers and employees would exceed 15% of the BDC's total outstanding shares of capital stock. We have received exemptive relief from the SEC permitting us to issue stock options to our independent directors and restricted stock to our executive officer, employees and directors subject to the above conditions, among others. For a discussion regarding the conditions of this exemptive relief, see "—No-Action and Exemptive Relief Obtained" below and "Note 8 - Equity Incentive Plans" to our consolidated financial statements.

Senior Securities; Coverage Ratio

In accordance with the Small Business Credit Availability Act, our Board and stockholders approved the reduction of our minimum asset coverage ratio applicable under Section 61(a)(2) of the 1940 Act on September 4, 2018 and December 6, 2018, respectively. As a result, effective December 7, 2018, the minimum asset coverage ratio under the 1940 Act applicable to us decreased from 200% to 150%, permitting us to incur additional leverage.

As a result, we will be permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 150% immediately after each such issuance. In addition, we may not be permitted to declare any cash dividend distribution on our outstanding common shares, or purchase any such shares, unless, at the time of such declaration or purchase, we have asset coverage of at least 150% after deducting the amount of such distribution or purchase price. On April 5, 2007, we received approval from the SEC on our request for exemptive relief that permits us to exclude the indebtedness of our wholly owned subsidiaries that are SBICs from the 150% asset coverage requirement applicable to us. We may also borrow amounts up to 5% of the value of our total assets for temporary purposes. For a discussion of the risks associated with the resulting leverage, see "Item 1A. Risk Factors—Risks Related To Leverage—Because we have substantial borrowings, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us."

Capital Structure

Subject to limited exceptions, we are not generally able to issue and sell our common stock at a price per share below NAV per share. We may, however, sell our common stock, or warrants, options or other rights to acquire such common stock, at a price below the current NAV per share if our Board determines that such sale is in the best interests of our stockholders and, in some cases, if stockholders, including a majority of those stockholders that are not affiliated with us, approve of such sale.

In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of the Board, closely approximates the market value of such securities (less any distribution commission or discount). Our stockholders have authorized us to issue common stock at a price below the then-current NAV per share, subject to certain conditions including Board approval, for a twelve-month period expiring on August 15, 2025. We cannot predict whether we will make any such sales.

Other 1940 Act Regulations

We are periodically examined by the SEC for compliance with the 1940 Act. We are also prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our Board who are not interested persons and, in some cases, prior approval by the SEC. We are required by the 1940 Act to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office. We are also required to adopt and implement written policies and procedures reasonably designed to prevent violation of the federal securities laws and review these policies and procedures annually for their adequacy and the effectiveness of their implementation. Our Chief Compliance Officer is responsible for administering these policies and procedures.

Code of Ethics

We have adopted and maintain a code of ethics that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code's requirements.

Our current code of ethics is posted on our website at investor.htgc.com/corporate-governance/governance-documents. Information contained on our website is not incorporated by reference and into this Annual Report, and you should not consider that information to be part of this Annual Report. In addition, the code of ethics is available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>. You may also obtain copies of the code of ethics, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

Privacy Principles

We are committed to maintaining the privacy of our stockholders and safeguarding their non-public personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any non-public personal information relating to our stockholders, although certain non-public personal information of our stockholders may become available to us. We do not disclose any non-public personal information about our stockholders or former stockholders, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent).

We restrict access to non-public personal information about our stockholders to our employees with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of our stockholders.

Proxy Voting Policies and Procedures

We vote proxies relating to our portfolio securities in the best interest of our stockholders. Our proxy voting decisions are made by members of the Company's investment team, who review on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although we generally vote against proposals that may have a negative impact on our portfolio securities, we may vote for such a proposal if there exists compelling long-term reasons to do so. We generally do not believe it is necessary to engage the services of an independent third party to assist in issue analysis and vote recommendation for proxy proposals.

To ensure that our vote is not the product of a conflict of interest, we require that: (i) anyone involved in the decision making process disclose to our Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

Small Business Administration Regulations

We make investments in qualifying small businesses through wholly owned SBIC subsidiaries. SBICs are designed to stimulate the flow of private capital to eligible small businesses. Under present SBA regulations, eligible small businesses include those businesses that are below small business size standards as published by the North American Industry Classification System ("NASIC") and adopted by the SBA or any eligible business that has a tangible net worth not exceeding \$24.0 million and has average annual fully taxed net income not exceeding \$8.0 million for the two most recent fiscal years. In addition, SBICs must devote 25.0% of their investment activity to "smaller" enterprises as defined by the SBA. A smaller enterprise is one that meets the NASIC size standard for its industry or has a tangible net worth not exceeding \$6.0 million and has average annual fully taxed net income not exceeding \$2.0 million for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on such factors as the number of employees and gross sales. According to SBA regulations, SBICs may make long-term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services.

Each SBIC subsidiary is subject to regulation and oversight by the SBA, including requirements with respect to maintaining certain minimum financial ratios and other covenants. As part of the SBA's oversight, each SBIC is periodically examined and audited by the SBA's staff to determine their compliance with SBA regulations. If any of our SBICs fail to comply with applicable SBA regulations, the SBA could, depending on the severity of the violation, limit or prohibit our SBICs' use of debentures, declare outstanding debentures immediately due and payable, and/or limit our SBICs from making new investments. In addition, our SBICs may also be limited in their ability to make distributions to us if they do not have sufficient capital in accordance with SBA regulations. Such actions by the SBA would, in turn, negatively impact us because our SBICs are wholly owned subsidiaries. Further, the SBA restricts the ability of SBICs to repurchase their capital stock. SBA regulations also include restrictions on a "change of control" or transfer of an SBIC and require that SBICs invest idle funds in accordance with SBA regulations. As of December 31, 2024, as a result of having sufficient capital as defined under the SBA regulations, our SBICs were in compliance with the terms of the SBA's leverage requirements.

The receipt of an SBIC license does not assure that a SBIC will receive SBA guaranteed debenture funding, which is dependent upon our SBICs continuing to be in compliance with SBA regulations and policies. The SBA, as a creditor, will have a superior claim to our SBICs' assets over our stockholders in the event we liquidate our SBICs or the SBA exercises its remedies under the SBA-guaranteed debentures issued by our SBICs upon an event of default.

Compliance with the Securities Exchange Act of 1934 and Sarbanes-Oxley Act

We are subject to the reporting and disclosure requirements of the Exchange Act, including the filing of quarterly, annual and current reports, proxy statements and other required items. In addition, we are subject to the Sarbanes-Oxley Act of 2002, which imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our Chief Executive Officer and Chief Financial Officer are required to certify the accuracy of the consolidated financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports are required to disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management is required to prepare a report regarding its assessment of our internal control over financial reporting, and our independent registered public accounting firm separately audits our internal control over financial reporting; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Compliance with The New York Stock Exchange (NYSE) Corporate Governance Regulations

Our common stock is listed on the NYSE under the symbol "HTGC". As a listed company on the NYSE, we are subject to various listing standards including corporate governance listing standards. We believe we are in compliance with such corporate governance listing standards. We intend to monitor our compliance with all future listing standards and to take all necessary actions to ensure that we stay in compliance.

Brokerage Allocations and Other Practices

Because we generally acquire and dispose of our investments in privately negotiated transactions, we typically do not use brokers in the normal course of business. However, from time to time, we may work with brokers to sell positions we have acquired in the securities of publicly listed companies or to acquire positions (principally equity) in companies where we see a market opportunity to acquire such securities at attractive valuations. In cases where we do use a broker, we seek to obtain the best net results for the Company, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While we generally seek reasonably competitive execution costs, we may not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, we may select a broker based partly upon brokerage or research services provided to us. In return for such services, we may pay a higher commission than other brokers would charge if we determine in good faith that such commission is reasonable in relation to the services provided.

No-Action and Exemptive Relief Obtained

On May 11, 2020, we received no-action relief from the SEC staff that allowed us to register the Adviser Subsidiary as a registered investment adviser under the Advisers Act.

On January 30, 2019, we received exemptive relief from the SEC that permits us to issue stock options and restricted stock to non-employee directors and restricted stock and restricted stock units to certain of our employees, executive officers, and directors (excluding non-employee directors). See "Note 8. Equity Incentive Plans" to our consolidated financial statements included with this Annual Report for additional information.

Separately, for information regarding our SEC exemptive relief obtained, please see the section entitled "Regulation – Exemptive Relief Obtained" in our Annual Report on [Form 10-K](#) for the year ended December 31, 2019, filed with the SEC on February 20, 2020 (the "2019 10-K"), which is incorporated by reference.

Investment Adviser Regulation

The Adviser Subsidiary, which is wholly owned by us, is subject to regulation under the Advisers Act. The Advisers Act establishes, among other things, recordkeeping and reporting requirements, disclosure requirements, limitations on transactions between the adviser's account and an advisory client's account, limitations on transactions between the accounts of advisory clients, and general anti-fraud prohibitions. The Adviser Subsidiary may be examined by the SEC from time to time for compliance with the Advisers Act.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of certain material U.S. federal income tax considerations relating to our qualification and taxation as a RIC and the acquisition, ownership and disposition of our preferred stock or common stock, but does not purport to be a complete description of the income tax considerations relating thereto. Except as otherwise noted, this discussion assumes you are a taxable U.S. person (as defined for U.S. federal income tax purposes) and that you hold your shares of our stock as capital assets for U.S. federal income tax purposes (generally, assets held for investment). This discussion is based upon current provisions of the Code, the regulations promulgated thereunder and judicial and administrative authorities, all of which are subject to change or differing interpretations by the courts or the Internal Revenue Service (the "IRS"), possibly with retroactive effect. No attempt is made to present a detailed explanation of all U.S. federal income tax concerns affecting us and our stockholders (including stockholders subject to special rules under U.S. federal income tax law).

The discussions set forth herein do not constitute tax advice. We have not sought and will not seek any ruling from the IRS regarding any matters discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to those set forth below. This summary does not discuss any aspects of foreign, state or local tax. Prospective investors must consult their own tax advisers as to the U.S. federal income tax consequences (including the alternative minimum tax consequences) of acquiring, holding and disposing of shares of our stock, as well as the effects of state, local, and foreign tax laws.

Election to be Subject to Tax as a Regulated Investment Company

Through December 31, 2005, we were subject to U.S. federal income tax as a corporation under Subchapter C of the Code. Effective for the tax year beginning on January 1, 2006, we met the criteria specified below to qualify as a RIC and elected to be treated as a RIC under Subchapter M Part I of the Code. To qualify for treatment as a RIC we must, among other requirements, meet certain source of income and asset diversification tests, as well as distribution requirements, which are described in the below section.

Qualifying as a Regulated Investment Company

In order to qualify as a RIC for U.S. federal income tax purposes and obtain the tax benefits of our RIC status, we must, among other requirements:

- have in effect at all times during each taxable year an election to be regulated as a BDC under the 1940 Act;
- derive in each taxable year at least 90% of our gross income from (a) dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities, foreign currencies, or other income derived with respect to our business of investing in such stock or securities and (b) net income derived from an interest in a "qualified publicly traded partnership" (the "Income Test");
- diversify our holdings so that at the end of each quarter of the taxable year:
 - at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of such issuer; and
 - no more than 25% of the value of our assets is invested in (i) securities (other than U.S. government securities or securities of other RICs) of any one issuer, (ii) securities (other than U.S. government securities or securities of other RICs) of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or (iii) securities of one or more "qualified publicly traded partnerships" (the "Asset Test").
- distribute to our stockholders, in respect of each taxable year, dividends for U.S. federal income tax purposes of an amount generally at least equal to 90% of our "investment company taxable income," which is generally equal to the sum of our net ordinary income plus the excess of our realized net short-term capital gains over our realized net long-term capital losses, determined without regard to any deduction for distributions paid (the "Distribution Requirements").

Taxation as a Regulated Investment Company

For any taxable year including our initial election year, if we qualify as a RIC and distribute dividends for U.S. federal income tax purposes to our stockholders of an amount at least equal to the Distribution Requirements, then we generally will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gains that we timely distribute (or are deemed to distribute) as dividends for U.S. federal income tax purposes to our stockholders. If we fail to qualify as a RIC, we will be subject to U.S. federal income taxes at regular corporate rates on any ordinary income or net capital gains.

As a RIC, we will be subject to a 4% non-deductible U.S. federal excise tax on certain undistributed income and gains unless we make distributions treated as dividends for U.S. federal income tax purposes in a timely manner to our stockholders in respect of each calendar year of an amount at least equal to the sum of (1) 98% of our ordinary income (taking into account certain deferrals and elections) for each calendar year, (2) 98.2% of our capital gain net income (adjusted for certain ordinary losses) for the 1-year period ending October 31 of each such calendar year and (3) any ordinary income and capital gain net income realized, but not distributed, in preceding calendar years ("Excise Tax Requirement"). We are not subject to this excise tax on any amount on which we incurred U.S. federal income taxes.

Depending on the level of taxable income earned in a taxable year, we may choose to carry over taxable income in excess of current taxable year distributions treated as dividends for U.S. federal income tax purposes from such taxable income into the next taxable year and incur a 4% U.S. federal excise tax on such taxable income, as required. The maximum amount of excess taxable income that may be carried over for distribution in the next taxable year under the Code is the total amount of distributions treated as dividends for U.S. federal income tax purposes paid in the following taxable year, subject to certain declaration and payment guidelines. To the extent we choose to carry over taxable income into the next tax year, distributions declared and paid by us in a tax year may differ from our taxable income for that tax year. As such, distributions may include the distribution of the current tax year taxable income, the distribution of the prior tax year taxable income that has been carried over and distributed in the current tax year, or may include a return of capital.

Taxable Income Considerations

We may invest in partnerships which may result in us being subject to state, local, or foreign income, franchise or other tax liabilities. In addition, some of the income and fees that we may recognize will not be qualifying income under the Income Test. In order to mitigate the risk that such income and fees would disqualify us as a RIC as a result of a failure to satisfy the Income Test, we may be required to recognize such income and fees indirectly through one or more entities classified as corporations for U.S. federal income tax purposes. Such corporations generally will be subject to U.S. federal, state, and potentially local taxes, which ultimately will reduce our return on such income and fees.

We may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, certain debt investments may earn OID or PIK income, which we must include in taxable income regardless of whether cash representing such income is received by us in the same tax year. Because OID or PIK income recognized is generally required to be included in our taxable income in the tax year it is recognized, we may be required to make a distribution to our stockholders in order to satisfy the Distribution Requirements or the Excise Tax Requirement even though we will not have received any corresponding cash amounts.

Gains or losses realized by us from the sale or exchange of equity or warrants acquired by us, as well as any losses attributable to the lapse of such warrants, generally will be treated as capital gains or losses. Such capital gains or losses will be long-term or short-term, depending on how long we held related equity or warrant instrument.

Investment income received from sources located within foreign countries, or capital gains earned by investing in securities of foreign issuers, may be subject to foreign income taxes and withheld at the source. In this regard, countries with which the United States does not have a tax treaty can result in high withholding tax rates, dependent on each taxpayer's circumstances. The United States has entered into tax treaties with many foreign countries that may entitle us to a reduced rate of tax or exemption from tax on this related income and capital gains. The effective rate of foreign taxes may vary depending on the location, status of tax treaties, changes in international tax laws, and types of investment held, among other reasons. Further, we do not anticipate being eligible for the special election that allows a RIC to treat foreign income taxes paid by us as having been paid by its stockholders.

If we acquire the equity securities of passive foreign investment companies ("PFICs"), which are foreign corporations that earn at least 75% of their annual gross income from passive sources (such as interest, dividends, rents, royalties or capital gain) or hold at least 50% of their total assets in investments producing such passive income, we could be subject to federal income tax and additional interest charges on "excess distributions" received from such companies or gain from the sale of stock in such companies, even if all income or gain actually received by us is timely distributed to our stockholders to the extent that such income or gain is attributable to our ownership of PFIC stock in a prior taxable year. We would not be able to pass through to our stockholders any credit or deduction for such a tax. Certain elections may, if available, ameliorate these adverse tax consequences, but any such election could require us to recognize taxable income or gain without the concurrent receipt of cash. We intend to limit and/or manage our holdings in PFICs to minimize our liability for any such taxes and related interest charges.

If we acquire the equity securities of a controlled foreign corporation (a "CFC"), which is a foreign corporation in which more than 50% of the stock, by vote or value, is owned by U.S. persons each of whom either directly or constructively own 10% or more of the stock of a foreign corporation by vote or by value, we would generally be required to include as ordinary income our allocable share of the CFC's income derived from certain specified sources with our investment company taxable income for such tax year, regardless of when the CFC makes distributions to us. We intend to limit and/or manage our holdings in issuers that could be treated as CFCs in order to limit our tax liability or maximize our after-tax return from these investments.

Our functional currency, for U.S. federal income tax purposes, is the U.S. dollar. Under the Code, foreign exchange gains and losses realized by us in connection with certain transactions involving foreign currencies, or payables or receivables denominated in a foreign currency, as well as certain non-U.S. dollar denominated debt securities, certain foreign currency futures contracts, foreign currency option contracts, foreign currency forward contracts, and similar financial instruments are subject to Code provisions that generally treat such gains and losses as ordinary income and losses and may affect the amount, timing and character of distributions to our stockholders. Any such transactions that are not directly related to our investment in securities (possibly including speculative currency positions or currency derivatives not used for hedging purposes) also could, under future Treasury regulations, produce income not among the types of qualifying income from which a RIC must derive at least 90% of its annual gross income.

Distribution Considerations

Under applicable Treasury regulations and other administrative guidance issued by the IRS, we are permitted to treat certain distributions payable in our stock as taxable distributions that will satisfy the Distribution Requirements as well as the Excise Tax Requirement, provided that stockholders have the opportunity to elect to receive the distribution in cash.

Taxable stockholders receiving such distributions will be required to include the full amount of such distributions as ordinary income (or as long-term capital gains to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be subject to tax with respect to such distributions in excess of any cash received. If a U.S. stockholder sells the stock it receives as a distribution in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold certain U.S. taxes with respect to such distributions, including in respect of all or a portion of such distribution that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on distributions, then such sales may put downward pressure on the trading price of our stock. We may in the future determine to make taxable distributions that are payable in part in our common stock.

We are authorized to borrow funds and to sell assets in order to satisfy the Distribution Requirements and the Excise Tax Requirement (collectively the "Code Distributions"). However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain "asset coverage" tests are met. See "Regulation—Senior Securities; Coverage Ratio". Additionally, we may also be restricted from making distributions under the terms of our debt obligations themselves unless certain conditions are satisfied. Moreover, our ability to dispose of assets to meet the Code Distributions may be limited by (1) the illiquid nature of our portfolio, or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Code Distributions, we may make such dispositions at times that, from an investment standpoint, are not advantageous. If we are prohibited from making distributions or are unable to obtain cash from other sources to make the distributions, we may lose our RIC status.

In addition, we may have to request a waiver of the SBA's restrictions applicable to our SBICs to enable us to meet the RIC Distribution Requirement. Our SBIC subsidiaries are subject to regulation by the Small Business Investment Act of 1958, as amended, and SBA regulations governing SBICs. Certain SBA regulations may restrict us from making distributions from our SBICs that may be necessary to make RIC distributions in order to maintain our status as a RIC. While we may request a waiver of the SBA's restrictions, we cannot assure you that the SBA will grant such waiver. If our SBICs are unable to obtain a waiver, compliance with the SBA regulations may cause us to lose our RIC status.

Certain of our investment practices are subject to special and complex U.S. federal income tax provisions that may, among other things, (i) convert distributions that would otherwise constitute qualified dividend income into ordinary income, (ii) treat distributions that would otherwise be eligible for deductions available to certain U.S. corporations under the Code as ineligible for such treatment, (iii) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (iv) convert long-term capital gains into short-term capital gains or ordinary income, (v) convert short-term capital losses into long-term capital losses, (vi) convert an ordinary loss or deduction into a capital loss (the deductibility of which is more limited), (vii) cause us to recognize income or gain without a corresponding receipt of cash, (viii) adversely alter the characterization of certain complex financial transactions, and (ix) produce gross income that will not constitute qualifying gross income for purposes of the Income Test. These rules also could affect the amount, timing and character of distributions to stockholders.

A RIC is limited in its ability to deduct expenses in excess of its taxable income. If our otherwise deductible expenses in a given tax year exceed our ordinary taxable gross income, we would incur a net operating loss for that tax year. However, a RIC is not permitted to carry back or carry forward net operating losses, respectively, to prior and subsequent tax years, and such net operating losses would not pass through to the RIC's stockholders. In addition, deductible expenses can only be used to offset investment company taxable income, and not any net capital gains recognized. Furthermore, RICs cannot use net capital losses to offset the RIC's investment company taxable income. However, a RIC generally may carry forward such net capital losses in order to use them as an offset to future capital gains indefinitely. Due to these limitations on the deductibility of expenses and net capital losses, we may for U.S. federal tax purposes have aggregate taxable income for several tax years that we are required to distribute and that is taxable to our stockholders even if such taxable income is greater than the aggregate net income we actually earned during those tax years. Such required distributions may be made from our cash assets or by liquidation of investments, if necessary. We may realize capital gains or losses from such liquidations. In the event we realize net capital gains from such transactions, you may receive a larger capital gain distribution than you would have received in the absence of such transactions.

Failure to Qualify as a Regulated Investment Company

If we were unable to qualify for treatment as a RIC and are unable to rectify the failure, for example, by disposing of certain investments timely or raising additional capital to prevent the loss of RIC status, we generally would be subject to U.S. federal income tax on all of our taxable income at regular corporate rates. The Code provides some relief from RIC disqualification due to failures to comply with the Income Test and the Asset Test, although there could be additional taxes

due in such cases. We cannot assure you that we would qualify for any such relief should we fail the Income Test or the Asset Test.

Should failure occur, not only would all our taxable income be subject to U.S. federal income taxes at regular corporate rates, we would not be able to deduct dividend distributions to stockholders, nor would they be required to be made. Distributions, including distributions of net long-term capital gain, would generally be treated as ordinary dividend income to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, certain corporate stockholders would be eligible to claim dividends received deduction with respect to such dividends and non-corporate stockholders would generally be able to treat such dividends as "qualified dividend income," which is subject to reduced rates of U.S. federal income tax. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain. Further, we would also be subject to regular corporate tax on any net built-in gains with respect to certain of our assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if we had been liquidated) that we elect to recognize on requalification or when recognized over the next five taxable years. The remainder of this discussion assumes that we qualify as a RIC and have satisfied the Distribution Requirements.

DETERMINATION OF NET ASSET VALUE

We determine the NAV per share of our common stock quarterly. The NAV per share is equal to the value of our total assets minus liabilities and any preferred stock outstanding divided by the total number of shares of common stock outstanding. As of the date of this Annual Report, we do not have any preferred stock outstanding.

Pursuant to Rule 2a-5 under the 1940 Act, our Board has designated a group of our executive officers and senior employees to serve as the Board's valuation designee under Rule 2a-5 under the 1940 Act (such group of executive officers and senior employees are referred to herein as the "Valuation Committee"). As of December 31, 2024, approximately 95.5% of our total assets represented investments in portfolio companies whose fair value is determined in good faith by our Valuation Committee, subject to oversight and approval by our Board. Fair value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Board. Our investments are carried at fair value in accordance with Rule 2a-5 under the 1940 Act. Given our investment strategy, the nature of our investments and the types of businesses in which we invest, substantially all of our investments are considered Level 3 assets under Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures ("ASC Topic 820") because there generally is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, we value substantially all of our investments at fair value as determined in good faith pursuant to valuation guidelines approved by our Board in accordance with the provisions of ASC Topic 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

We intend to continue to engage one or more independent valuation firm(s) to provide us with assistance regarding the Valuation Committee's determination of the fair value of selected portfolio investments each quarter. In selecting which portfolio investments to engage an independent valuation firm, we consider a number of factors, including, but not limited to, the potential for material fluctuations in valuation results, size, credit quality, and the time lapse since the last valuation of the portfolio investment by an independent valuation firm. The scope of services rendered by the independent valuation firm is at the discretion of the Valuation Committee and subject to approval of the Board, and we may engage an independent valuation firm to value all or some of our portfolio investments. Our Board is ultimately responsible for determining the fair value of our investments in good faith.

See "Note 2 – Summary of Significant Accounting Policies" in the notes to the consolidated financial statements for a detailed discussion of our investment portfolio valuation process and procedures.

Determinations in Connection with Offerings

In connection with each offering of shares of our common stock, the Board or a committee thereof is required to make the determination that we are not selling shares of our common stock at a price below our then current NAV per share at the time at which the sale is made, unless we then have the requisite shareholder authorization to issue our shares at a price below their NAV per share and it is determined by the Board that such sale is in the best interests of our stockholders, certain other conditions are met and we have any requisite approval from our stockholders. The Board considers the following factors, among others, in making such determination:

- the NAV per share of our common stock disclosed in the most recent periodic report we filed with the SEC;

- our management's assessment of whether any material change in the NAV per share has occurred (including through the realization of net gains on the sale of our portfolio investments) from the period beginning on the date of the most recently disclosed NAV per share to the period ending two days prior to the date of the sale of our common stock; and
- the magnitude of the difference between (i) a value that our Board or an authorized committee thereof has determined reflects the current NAV per share of our common stock, which is generally based upon the NAV per share of our common stock disclosed in the most recent periodic report that we filed with the SEC, as adjusted to reflect our management's assessment of any material change in the NAV per share of our common stock since the date of the most recently disclosed NAV per share of our common stock, and (ii) the offering price per share of the shares of our common stock in the proposed offering.

Importantly, this determination does not require that we calculate NAV per share in connection with each offering of shares of our common stock, but instead it involves the determination by the Board or a committee thereof that we are not selling shares of our common stock at a price below the then current NAV per share at the time at which the sale is made.

Moreover, to the extent there is a possibility that we may issue shares of our common stock at a price below the then current NAV per share (and we do not have requisite shareholder authorization to issue our shares at a price below their NAV per share), the Board or a committee thereof will elect to either (i) postpone the offering until such time that there is no longer the possibility of issuing shares at a price below the then current NAV per share or (ii) to undertake to determine the NAV per share within two days prior to any such sale to ensure that such sale will not be below our then current NAV per share of our common stock. In addition, if, during an offering pursuant to a prospectus, there is a possibility that we may trigger the undertaking to suspend the offering of shares of our common stock if the NAV per share of common stock fluctuates by certain amounts (as described in the relevant prospectus), the Board or a committee thereof will either (i) comply with such undertaking or (ii) undertake to determine NAV per share of our common stock to ensure that such undertaking has not been triggered.

These processes and procedures are part of our compliance policies and procedures. Records will be made contemporaneously with all determinations described in this section and these records will be maintained with other records we are required to maintain under the 1940 Act.

SUMMARY OF RISK FACTORS

The risk factors described below are a summary of the principal risk factors associated with an investment in us. These are not the only risks we face. You should carefully consider these risk factors, together with the risk factors set forth in Item 1A. of this Annual Report and the other reports and documents filed by us with the SEC.

Risks Related To Our Business And Structure

- We operate in a highly competitive market for investment opportunities.
- We are dependent upon senior management personnel for our future success, particularly our CEO, Scott Bluestein.
- Our success depends on attracting and retaining qualified personnel in a competitive environment.
- Our business model depends to a significant extent upon strong referral relationships for investment opportunities.
- Our Board may change our operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Risks Related To Our Investments

- The types of portfolio companies in which we invest involve significant risk, and we could lose all or part of our investment.
- The lack of liquidity in our investments may adversely affect our business.
- Our investments are concentrated in certain technology-related industries, which subjects us to the risk of significant loss if any one or more of such industries experiences a downturn.
- We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited by the 1940 Act with respect to the proportion of our assets that may be invested in securities of a single issuer. In addition, our financial results could be negatively affected if a significant portfolio investment fails to perform as expected.
- We may be exposed to higher risks with respect to our investments that include PIK interest or exit fees.
- We may not have the funds or ability to make additional investments in our portfolio companies.
- There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.
- We generally will not control our portfolio companies, which may result in the portfolio company making decisions which could adversely impact the value of our investments in the portfolio company's securities.
- Defaults by our portfolio companies will harm our operating results.
- Substantially all of our portfolio investments are recorded at fair value as determined in accordance with our valuation guidelines and, as a result, there may be uncertainty as to the value of our portfolio investments.

Risks Related To Leverage

- Because we have substantial borrowings, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.
- Certain of our assets are subject to security interests under our senior securities and if we default on our obligations under our senior securities, we may suffer adverse consequences, including foreclosure on those assets.

Risks Related To Our Investment Management Activities

- Our executive officers and employees, through the Adviser Subsidiary, are expected to manage the Adviser Funds, which includes funds from External Parties, that operate in the same or a related line of business as we do, which may result in significant conflicts of interest.
- We, through the Adviser Subsidiary, derive revenues from managing third-party funds pursuant to management agreements that may be terminated, which could negatively impact our operating results.

Risks Related To BDCs

- Failure to comply with applicable laws or regulations and changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.
- Failure to maintain our status as a BDC would reduce our operating flexibility.

- Operating under the constraints imposed on us as a BDC and RIC may hinder the achievement of our investment objectives.

Risks Related To Our Securities

- Investing in our securities may involve a high degree of risk.
- Shares of closed-end investment companies, including BDCs, may trade at a discount to their NAV.
- The market price of our securities may be volatile and fluctuate significantly.
- We may not be able to pay distributions to our stockholders, our distributions may not grow over time, and a portion of distributions paid to our stockholders may be a return of capital, which is a distribution of the stockholders' invested capital.

Risks Related To Our SBIC Subsidiaries

- We, through our wholly owned subsidiaries, issue debt securities guaranteed by the SBA and sold in the capital markets. As a result of its guarantee of the debt securities, the SBA has fixed dollar claims on the assets of our subsidiaries that are superior to the claims of our securities holders.
- Certain of our wholly owned subsidiaries are licensed by the SBA, and therefore subject to SBIC regulations.

Risks Related To Operating As A RIC And U.S. Federal Income Taxes

- We will be subject to U.S. federal income tax if we are unable to qualify as a RIC under Subchapter M Part I of the Code.
- We may have difficulty paying the distributions required to maintain our RIC status under the Code if we recognize income before or without receiving cash representing such income.

General Risk Factors

- Capital markets may experience periods of disruption and instability in the future. These market conditions, when they occur, may materially and adversely affect debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations.
- We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends.
- The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and business continuity planning could impair our ability to conduct business effectively.

Item 1A. Risk Factors

Investing in our securities involves a number of significant risks. In addition to the other information contained in this Annual Report, you should carefully consider the following information before making an investment in our securities. The risks set forth below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following events occur, our business, financial condition, and results of operations could be materially adversely affected. In such case, our NAV and the trading price of our common stock or the value of our other securities could decline, and you may lose all or part of your investment.

Risks Related To Our Business Structure

We operate in a highly competitive market for investment opportunities.

We compete for investments with a number of other investment funds (including venture capital and private equity funds, debt funds, BDCs and SBICs), as well as traditional financial services companies such as commercial and investment banks and other sources of funding. Many of our competitors are substantially larger and have considerably greater financial, technical, marketing and other resources than we do. For example, some competitors may have a lower cost of funds and/or access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we have. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or that the Code imposes on us as a RIC. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to do. We may lose investment opportunities if we do not match our competitors' pricing, terms and/or structure. If we do match our competitors' pricing, terms or structure, we may

not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms.

We are dependent upon senior management personnel for our future success, particularly our CEO, Scott Bluestein.

We depend upon the members of our senior management, particularly Mr. Bluestein, and other key personnel for the identification, final selection, structuring, closing and monitoring of our investments. These employees have critical industry experience and relationships on which we rely to implement our business plan. Our future success depends on the continued service of our senior management team. The departure of Mr. Bluestein or any member of our senior management team or a significant number of the members of our investment team could have a material adverse effect on our ability to achieve our investment objective as well as our business, financial condition or results of operation. As a result, we may not be able to operate our business as we expect, and our ability to compete could be harmed, which could cause our operating results to suffer.

Our success depends on attracting and retaining qualified personnel in a competitive environment.

Our growth requires that we attract and retain investment and administrative personnel in a competitive market. Our ability to attract and retain personnel with the requisite credentials, experience and skills depends on several factors including, but not limited to, our ability to offer competitive wages, benefits and professional growth opportunities. Many of the entities, including investment funds (such as venture capital funds, private equity funds, debt funds and mezzanine funds) and traditional financial services companies, with which we compete for experienced personnel have greater resources than we have.

The competitive environment for qualified personnel may require us to take certain measures to ensure that we are able to attract and retain experienced personnel. Such measures may include increasing the attractiveness of our overall compensation packages, altering the structure of our compensation packages through the use of additional forms of compensation, or other steps.

However, as an internally managed BDC, our ability to offer more competitive and flexible compensation structures, such as offering both a profit-sharing plan and an equity incentive plan, is subject to the limitations imposed by the 1940 Act, which limits our ability to attract and retain talented investment management professionals. As such, these limitations could inhibit our ability to grow, pursue our business plan and attract and retain professional talent, any or all of which may have a negative impact on our business, financial condition and results of operations.

Our business model depends to a significant extent upon strong referral relationships for investment opportunities.

We expect that members of our management team will maintain their relationships with venture capital and private equity firms, other financial institutions and intermediaries, investment bankers, commercial bankers, financial advisers, attorneys, accountants, consultants and other individuals within our network, and we will rely to a significant extent upon these relationships to provide us with potential investment opportunities. If we fail to maintain our existing relationships or develop new relationships with sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom members of our management team have relationships are not obligated to provide us with investment opportunities and, therefore, there is no assurance that such relationships will generate investment opportunities for us.

Our Board may change our operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our Board has the authority to modify or waive certain of our current operating policies and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, NAV, operating results and value of our stock. However, the effect might be adverse, which could negatively impact our ability to pay interest and principal payments to holders of our debt instruments and dividends to our stockholders and cause our investors to lose all or part of their investment in us.

We and our portfolio companies may maintain cash balances at financial institutions that exceed federally insured limits and may otherwise be materially affected by adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties.

Cash held by us and by our portfolio companies in non-interest-bearing and interest-bearing operating accounts may exceed the Federal Deposit Insurance Corporation, or FDIC, insurance limits. If such banking institutions were to fail, we or our portfolio companies could lose all or a portion of those amounts held in excess of such insurance limitations. In addition, actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect

financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems, which could adversely affect our and our portfolio companies' business, financial condition, results of operations or prospects.

Although we assess our portfolio companies' banking relationships as we believe necessary or appropriate, our and our portfolio companies' access to funding sources and other credit arrangements in amounts adequate to finance or capitalize respective current and projected future business operations could be significantly impaired by factors that affect us or our portfolio companies, the financial institutions with which we or our portfolio companies have arrangements directly or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could involve financial institutions or financial services industry companies with which we or our portfolio companies have financial or business relationships, but could also include factors involving financial markets or the financial services industry generally.

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to corporate social responsibility, including ESG activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business. In addition, different stakeholder groups have divergent views on ESG matters, which increases the risk that any action or lack thereof with respect to ESG matters will be perceived negatively by at least some stakeholders and may adversely impact our reputation and business. If we do not successfully manage ESG-related expectations across these varied stakeholder interests, it could erode stakeholder trust, impact our reputation and constrain our business.

Risks Related To Our Investments

The types of portfolio companies in which we invest involve significant risk, and we could lose all or part of our investment.

Investing in the types of companies that comprise our portfolio companies exposes us indirectly to a number of significant risks. Among other things, these companies:

- may have limited financial resources (including the inability to obtain additional equity or debt financing as needed) and may be unable to meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investment, as well as a corresponding decrease in the value of the equity components of our investments;
- may require substantial additional financing to satisfy their continuing working capital and other cash requirements;
- may have shorter operating histories, narrower product lines, smaller market shares and/or significant customer concentrations than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation, termination or significant under-performance of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- generally have less predictable operating results which may fluctuate suddenly and dramatically, may from time-to-time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, finance expansion or maintain their competitive position, and may have more limited access to capital and higher funding costs;
- may be adversely affected by a lack of IPO or merger and acquisition opportunities; and
- generally have less publicly available information about their businesses, operations and financial condition. We are required to rely on the ability of our management team and investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all

material information about these companies, we may not make a fully informed investment decision, and may lose all or part of our investment.

In addition, in the course of providing significant managerial assistance to certain of our portfolio companies, certain of our officers and directors may serve as directors on the boards of directors of such companies. To the extent that litigation arises out of our investments in these companies, our officers and directors may be named as defendants in such litigation, which could result in an expenditure of funds (through our indemnification of such officers and directors) and the diversion of management time and resources.

The lack of liquidity in our investments may adversely affect our business.

We generally invest in companies whose securities are not publicly traded and/or whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near-term. Our investments are usually subject to contractual or legal restrictions on resale or are otherwise illiquid because there is usually no established trading market for such investments. Even if an established trading market for such securities were established, we may be limited in our ability to divest ourselves from a debt or equity instrument for a variety of reasons, such as limited trading volume in a public company's securities, or regulatory factors such as the receipt of material non-public information or insider blackout periods when we are legally prohibited from selling. The illiquidity of most of our investments may make it difficult for us to dispose of them at a favorable price or at all and, as a result, we may suffer losses.

A lack of IPO or merger and acquisition opportunities may cause companies to stay in our portfolio longer, leading to lower returns, unrealized depreciation, or realized losses.

A lack of IPO or merger and acquisition, or M&A, opportunities for private companies, including venture capital-backed and institutional-backed companies could lead to portfolio companies staying longer in our portfolio as private entities still requiring funding. IPO activity has remained stagnant over the last several years and this trend may remain for the foreseeable future. This situation may adversely affect the amount of available funding for early-stage companies in particular as, in general, venture capital, institutional, and other sponsor firms are being forced to provide additional financing to late-stage companies that cannot complete an IPO or M&A transaction. In the best case, such stagnation would dampen returns, and in the worst case, could lead to unrealized depreciation and realized losses as some portfolio companies run short of cash and have to accept lower valuations in private fundings or are not able to access additional capital at all. A lack of IPO or M&A opportunities for private companies can also cause some venture capital, institutional, and other sponsor firms to change their strategies, leading some of them to reduce funding to their portfolio companies and making it more difficult for such companies to access capital and to fulfill their potential, which can result in unrealized depreciation and realized losses in our investments in such portfolio companies.

Investing in publicly traded companies can involve a high degree of risk and can be speculative.

A portion of our portfolio is invested in publicly traded companies or companies that are in the process of completing an IPO. As publicly traded companies, the securities of these companies may not trade at high volumes, and prices can be volatile, particularly during times of general market volatility, which may restrict our ability to sell our positions and may have a material adverse impact on us.

In addition, our ability to invest in public companies may be limited in certain circumstances. To maintain our status as a BDC, we are not permitted to acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Subject to certain exceptions for follow-on investments and distressed companies, an investment in an issuer that has outstanding securities listed on a national securities exchange may be treated as a qualifying asset only if such issuer has a market capitalization that is less than \$250.0 million at any point in the 60 days prior to the time of such investment and meets certain other requirements.

Our investments are concentrated in certain technology-related industries, which subjects us to the risk of significant loss if any one or more of such industries experiences a downturn.

We have invested and intend to continue investing in companies that operate in technology-related industries. A downturn in one or more technology-related industry sectors and particularly those in which we are heavily concentrated could materially adversely affect our financial condition more than if we invested in a wider range of industries. As of December 31, 2024, approximately 85.9% of the fair value of our portfolio comprised investments in four industries: 29.5% comprised investments in the "Software" industry, 29.5% comprised investments in the "Drug Discovery and

Development" industry, 16.7% comprised investments in the "Healthcare Services, Other" industry, and 10.2% in the "Consumer & Business Services industry". Companies in technology-related industries are subject to numerous risks, including:

- *Technology Industry (including Software and Consumer & Business Services Industries) Risk.* The market prices and values of companies operating in the technology industry – including software and consumer and business services companies – tend to exhibit a greater degree of risk and volatility than other types of investments. These companies may fall in and out of favor with the public and investors rapidly, which may cause sudden selling and dramatically lower market prices. These companies also may be affected adversely by changes in technology, consumer and business purchasing patterns, short product cycles, falling prices and profits, government regulation, lack of standardization or compatibility with existing technologies, intense competition, aggressive pricing, advances in artificial intelligence and machine learning, dependence on copyright and/or patent protection and/or obsolete products or services. Certain technology-related companies may face special risks that their products or services may not prove to be commercially successful. Technology-related companies are also strongly affected by worldwide scientific or technological developments. As a result, their products may rapidly become obsolete.

Companies in the application software industry, in particular, may also be negatively affected by the decline or fluctuation of subscription renewal rates for their products and services, which may have an adverse effect on profit margins. Companies in the systems software industry may be adversely affected by, among other things, actual or perceived security vulnerabilities in their products and services, which may result in individual or class action lawsuits, state or federal enforcement actions and other remediation costs.

Such companies are also often subject to governmental regulation and may, therefore, be adversely affected by governmental policies. In addition, a rising interest rate environment tends to negatively affect technology and technology-related companies. Those technology or technology-related companies seeking to finance their expansion would have increased borrowing costs, which may negatively impact their earnings. Technology-related companies are often smaller and less experienced companies and may be subject to greater risks than larger companies, such as limited product lines, markets and financial and managerial resources. These risks may be heightened for technology companies in foreign markets.

- *Drug Discovery & Development Industry Risk.* The success of pharmaceutical companies operating in the drug discovery and development industry is highly dependent on the development, procurement and marketing of drugs. The valuations of pharmaceutical companies are also dependent on the development, protection and exploitation of intellectual property rights and other proprietary information, and the profitability of pharmaceutical companies may be significantly affected by such things as the expiration of patents or the loss of, or the inability to enforce, intellectual property rights. The research and other costs associated with developing or procuring new drugs and the related intellectual property rights can be significant, and the results of such research and expenditures are unpredictable. There can be no assurance that those efforts or costs will result in the development of a profitable drug. Pharmaceutical companies may be susceptible to product obsolescence. Many pharmaceutical companies face intense competition from new products and less costly generic products. Moreover, the process for obtaining regulatory approval by the FDA or other governmental regulatory authorities is long and costly and there can be no assurance that the necessary approvals will be obtained or maintained. Furthermore, it is unclear whether the new U.S. presidential administration will propose or implement significant regulatory or policy changes that may significantly impact the drug discovery and development industry. Such changes could impact the actions or inactions of the FDA or other governmental regulatory authorities with respect to the receipt or continuation of approvals.

Pharmaceutical companies are also subject to rapid and significant technological change and competitive forces that may make drugs obsolete or make it difficult to raise prices and, in fact, may result in price discounting. Pharmaceutical companies may also be subject to expenses and losses from extensive litigation based on intellectual property, product liability and similar claims. Failure of pharmaceutical companies to comply with applicable laws and regulations can result in the imposition of civil and criminal fines, penalties and, in some instances, exclusion of participation in government sponsored programs such as Medicare and Medicaid. Pharmaceutical companies may be adversely affected by government regulation and changes in reimbursement rates. The ability of many pharmaceutical companies to commercialize current and any future products depends in part on the extent to which reimbursement for the cost of such products and related treatments are available from third party payors, such as Medicare, Medicaid, private health insurance plans and health maintenance organizations. Third-party payors are increasingly challenging the price and cost-effectiveness of medical products. Significant uncertainty exists as to the reimbursement status of health care products, and there can be no

assurance that adequate third-party coverage will be available for pharmaceutical companies to obtain satisfactory price levels for their products.

The international operations of many pharmaceutical companies expose them to risks associated with instability and changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations and other risks inherent to international business. Additionally, a pharmaceutical company's valuation can often be based largely on the potential or actual performance of a limited number of products. A pharmaceutical company's valuation can also be greatly affected if one of its products proves unsafe, ineffective or unprofitable. Such companies also may be characterized by thin capitalization and limited markets, financial resources or personnel, as well as dependence on wholesale distributors. The valuations of companies in the pharmaceutical industry have been and will likely continue to be extremely volatile.

- *Healthcare Services Industry Risk.* The operations of healthcare services companies are subject to extensive federal, state and local government regulations, including Medicare and Medicaid payment rules and regulations, federal and state anti-kickback laws, the physician self-referral law and analogous state self-referral prohibition statutes, Federal Acquisition Regulations, the False Claims Act and federal and state laws regarding the collection, use and disclosure of patient health information and the storage, handling and administration of pharmaceuticals. The Medicare and Medicaid reimbursement rules related to claims submission, enrollment and licensing requirements, cost reporting, and payment processes impose complex and extensive requirements upon dialysis providers as well. A violation or departure from any of these legal requirements may result in government audits, lower reimbursements, significant fines and penalties, the potential loss of certification, recoupment efforts or voluntary repayments. If healthcare services companies fail to adhere to all of the complex government regulations that apply to their businesses, such companies could suffer severe consequences that would substantially reduce revenues, earnings, cash flows and stock prices. If healthcare companies are unable to successfully expand their product lines through internal research and development and acquisitions, their business may be materially and adversely affected. In addition, if these companies are unable to successfully grow their businesses through marketing partnerships and acquisitions, their business may be materially and adversely affected. Furthermore, it is unclear whether the new U.S. presidential administration will propose or implement significant regulatory or policy changes that may significantly impact, directly or indirectly, the healthcare services industry.

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited by the 1940 Act with respect to the proportion of our assets that may be invested in securities of a single issuer. In addition, our financial results could be negatively affected if a significant portfolio investment fails to perform as expected.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. Under the 1940 Act, a "diversified" investment company is required to invest at least 75% of the value of its total assets in cash and cash items, government securities, securities of other investment companies and other securities limited in respect of any one issuer to an amount not greater than 5% of the value of the total assets of such company and no more than 10% of the outstanding voting securities of such issuer. As a non-diversified investment company, we are not subject to this requirement. Beyond our RIC asset diversification requirements, we do not have fixed guidelines for portfolio diversification, and our investments could be concentrated in relatively few portfolio companies. See "Risk Factors – Risks Related to Operating as a RIC and U.S. Federal Income Taxes." Although we are classified as a non-diversified investment company within the meaning of the 1940 Act, we maintain the flexibility to operate as a diversified investment company.

Because we are a non-diversified investment company, our total investment in companies may be significant individually or in the aggregate. As a result, if a significant investment in one or more companies fails to perform as expected, our financial results could be more negatively affected, and the magnitude of the loss could be more significant than if we had made smaller investments in more companies. Further, to the extent that we assume large positions in the securities of a small number of issuers, our NAV may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company might be.

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The following table shows the fair value of the investments held in portfolio companies as of December 31, 2024, that represent greater than 5% of our net assets:

(in thousands)

	December 31, 2024		
	Fair Value	Percentage of Net Assets	
Phathom Pharmaceuticals, Inc.	\$ 177,348	8.9	%
Marathon Health, LLC	166,882	8.4	%
Axsome Therapeutics, Inc.	165,220	8.3	%
Shield AI, Inc.	113,701	5.7	%
SeatGeek, Inc.	110,413	5.5	%
Corium, Inc.	109,178	5.5	%

- Phathom Pharmaceuticals, Inc. is a biopharmaceutical company focused on the development and commercialization of novel treatments for gastrointestinal diseases and disorders.
- Marathon Health, LLC is a provider of employer-sponsored healthcare platform intended to provide convenient and unhurried patient-centered care services.
- Axsome Therapeutics, Inc. is a biopharmaceutical company developing novel therapies for the management of central nervous system disorders for which there are limited treatment options.
- Shield AI, Inc. is an aerospace and defense technology company that designs and builds AI-powered, autonomous Unmanned Aerial Vehicles (UAVs) for national defense operations and military organizations.
- SeatGeek, Inc. is a mobile-focused ticket platform that enables users to buy and sell tickets for live sports, concerts and theater events.
- Corium, Inc. develops, engineers, and manufactures drug delivery products and devices that utilize the skin and mucosa as a primary means of transport.

Our financial results could be materially adversely affected if one or more of these portfolio companies or any of our other significant portfolio companies encounter financial difficulty and fail to repay their obligations or to perform as expected.

We may be exposed to higher risks with respect to our investments that include PIK interest or exit fees.

Our investments may include contractual PIK interest and exit fees. PIK interest represents contractual interest added to a loan's principal balance and is due in accordance with the loan's amortization terms. Exit fees represent a contractual fee accrued over the life of the loan and is typically due at loan payoff. To the extent PIK interest and exit fees constitute a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following:

- PIK interest and exit fee instruments may have higher yields, which reflect the payment deferral and credit risk associated with these instruments;
- PIK interest and exit fee instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of the collateral; and
- PIK interest and exit fee instruments may represent a higher credit risk than coupon loans; even if the conditions for income accrual under generally accepted accounting principles in the United States of America ("U.S. GAAP") are satisfied, a borrower could still default when actual payment is due upon the maturity of such loan.

We may not have the funds or ability to make additional investments in our portfolio companies.

We may not have the funds or ability to make additional investments in our portfolio companies. After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through the extension of additional loans, the exercise of a warrant to purchase equity securities, or the funding of additional equity investments. There is no assurance that we will make, or will have sufficient funds to make, follow-on investments. Any decisions not to make a follow-on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation, may reduce our ability to protect an existing investment or may dilute our equity interest or otherwise reduce the expected yield on the investment.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or

principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

Even if our investment is structured as a senior-secured loan, principles of equitable subordination, as defined by existing case law, could lead a bankruptcy court to subordinate all or a portion of our claim to that of other creditors and transfer any lien securing such subordinated claim to the bankruptcy estate. The principles of equitable subordination have generally indicated that a claim may be subordinated only if its holder is guilty of misconduct or where the senior loan is re-characterized as an equity investment and the senior lender has actually provided significant managerial assistance to the bankrupt debtor. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender liability claim, including as a result of actions taken in rendering significant managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business.

We generally will not control our portfolio companies, which may result in the portfolio company making decisions which could adversely impact the value of our investments in the portfolio company's securities.

In some instances, we may control our portfolio companies or provide our portfolio companies with significant managerial assistance. However, we do not, and do not expect to, control the ultimate decision making in most of our portfolio companies, even though we may have board representation or board observation rights, and our debt agreements may contain certain restrictive covenants. As a result, we are subject to the risk that a portfolio company in which we invest will make business decisions with which we disagree, and the management of such company will take risks or otherwise act in ways that do not serve our interests as debt investors or minority equity holders. Due to the lack of liquidity for our investments in non-traded companies, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation. As a result, a portfolio company may make decisions that would decrease the value of our portfolio holdings.

Defaults by our portfolio companies will harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to non-payment of interest and other defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that we hold. In addition, in the event of a default by a portfolio company on a secured loan, we will only have recourse to the assets collateralizing the loan, which in some cases excludes the IP on which we have only a negative pledge (*i.e.*, an agreement by the portfolio company to not pledge its IP to another lender). In any case, the assets collateralizing our loan may not be sufficient to fully cover our indebtedness. In the event of a default on a loan, there can be no assurance that our security interest will be enforceable in a court of law or bankruptcy court or that there will not be others with senior or pari passu credit interests. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company.

Substantially all of our portfolio investments are recorded at fair value as determined in accordance with our valuation guidelines and, as a result, there may be uncertainty as to the value of our portfolio investments.

Under the 1940 Act, we are required to carry our investments at market value or, if no market value is ascertainable, at the fair value as determined by our Valuation Committee in accordance with our valuation guidelines adopted pursuant to Rule 2a-5 under the 1940 Act, subject to oversight and approval by our Board.

We value our securities for which no market value is ascertainable quarterly at fair value based on inputs from management and/or one or more third-party valuation firm(s) pursuant to our valuation guidelines approved by our Board. As of December 31, 2024, portfolio investments, whose fair value is determined in good faith by our Valuation Committee, subject to oversight and approval by our Board, were approximately 95.5% of our total assets. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material. Our NAV could be adversely affected if determinations regarding the fair value of these investments were materially higher than the values ultimately realized upon the disposal of such investments.

Any unrealized depreciation we experience on our investment portfolio may be an indication of future realized losses, which could reduce our income available for distribution and could impair our ability to service our borrowings.

Decreases in the market values or fair values of our investments will be recorded as unrealized depreciation. Any unrealized depreciation in our portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to the affected loans or potential impairment of the value of affected equity investments. This could result in realized losses in the future and ultimately in reductions of our income and gains available for distribution in future periods.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.

During the year ended December 31, 2024, we received early principal payments and early payoffs on our debt investments of approximately \$922.0 million. We are subject to the risk that the debt investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, pending their future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being prepaid, and we could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elect to prepay amounts owed to us. Additionally, prepayments could negatively impact our return on equity, which could result in a decline in the market price of our securities.

We are subject to risks associated with the interest rate environment and changes in interest rates will affect our cost of capital, net investment income and the value of our investments.

To the extent we borrow money or issue debt securities or preferred stock to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. In addition, many of our debt investments and borrowings have floating interest rates that reset on a periodic basis, and many of our investments are subject to interest rate floors and caps. As of December 31, 2024, approximately 97.4% of our debt investments were at floating rates or floating rates with a floor, and 2.6% of our debt investments were at fixed rates. As a result, a change in market interest rates could have a material adverse effect on our net investment income, in particular with respect to increases from current levels to the level of the interest rate caps on certain investments. In periods of rising interest rates, our cost of funds will increase because the interest rates on the amounts borrowed under our Credit Facilities (as defined below) are floating and are not subject to interest rate caps, which could reduce our net investment income to the extent any debt investments have either fixed interest rates, or floating interest rates subject to an interest rate cap below the then current levels, and as a result such interest rates on these debt investments will not increase. In periods of declining interest rates, our interest income and our net investment income could be reduced as the interest income earned on our floating rate debt investments declines and any new fixed rate debt may be issued at lower coupon rates.

Some of our portfolio companies have debt investments which bear interest at variable rates and may be negatively affected by changes in market interest rates, which may be impacted by, among other factors, changes in the federal funds rates by the U.S. Federal Reserve. An increase in market interest rates would increase the interest costs and reduce the cash flows of our portfolio companies that have variable rate debt instruments, a situation which could reduce the value of our investments in these portfolio companies. The value of our securities could also be reduced from an increase in market interest rates as rates available to investors could make an investment in our securities less attractive than alternative investments. Conversely, decreases in market interest rates could negatively impact the interest income from our variable rate debt investments. A decrease in market interest rates may also have an adverse impact on our returns by requiring us to accept lower yields on our debt investments and by increasing the risk that our portfolio companies will prepay our debt investments, resulting in the need to redeploy capital at potentially lower rates. See further discussion and analysis at "Item 7A. Quantitative and Qualitative Disclosures about Market Risk."

Inflation could adversely affect the business, results of operations and financial condition of our portfolio companies.

Certain of our portfolio companies are in industries that could be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay interest or principal on our loans, particularly if interest rates rise in response to inflation. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future realized or unrealized losses and therefore reduce our net increase (decrease) in net assets resulting from operations.

We may not realize gains from our equity or warrant investments.

Certain investments that we have made in the past and may make in the future include warrants or other equity securities. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. We may from time to time make non-control, equity investments in portfolio companies. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We may seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer; however, we may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress. In addition, we anticipate that approximately 50% of our warrants may not realize any exit or generate any returns. Furthermore, because of the financial reporting requirements under U.S. GAAP, of those approximately 50% of warrants that we do not realize any exit, the assigned costs to the initial warrants may lead to realized losses when the warrants either expire or are not exercised.

We may expose ourselves to risks when we engage in hedging transactions.

When we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and there can be no assurance that any such hedging arrangements will achieve the desired effect. During the year ended and as of December 31, 2024, we had entered into and held one outstanding foreign currency forward contract. We do not utilize hedge accounting and as such we recognize the value of our derivatives at fair value on the Consolidated Statements of Assets and Liabilities with changes in the net unrealized appreciation (depreciation) on forward currency forward contracts recorded on the Consolidated Statements of Operations.

Our investments in foreign securities or investments denominated in foreign currencies may involve significant risks in addition to the risks inherent in U.S. and U.S.-denominated investments.

Our investment strategy contemplates potential investments in securities of foreign companies. Our total investments at fair value in foreign companies were approximately \$371.2 million or 10.1% of total investments as of December 31, 2024. Investing in foreign companies may expose us to additional risks not typically associated with investing in securities of U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Although most of our investments will be U.S. dollar denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments.

We will be subject to risks associated with "last out" positions in unitranche loans.

We also provide "unitranche" loans, which are loans with two classes of lenders that combine both senior and mezzanine debt, generally in a first lien position with security interest in all the assets of the portfolio company. The unitranche loans can either be "first out" or "last out", whereby the "last-out" portion will be subordinated to the "first-out" portion of the unitranche loan in a liquidation, sale or other disposition. When we invest in unitranche loans, we typically invest in the "last-out" portion. Investments in "last out" pieces of tranches first lien loans will be similar to second lien loans in that such investments will be junior in priority to the "first out" piece of the same tranches first lien loan with

respect to payment of principal, interest and other amounts. We can offer no assurance that the proceeds, if any, from sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the "last out" pieces of the tranches of first lien loans after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the "last out" pieces of unitranche loans, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company's remaining assets, if any.

A unitranche loan may also, in some cases, have a longer maturity than a senior secured loan and may be provided in a larger size, often by one or two counterparts as opposed to a club or syndicate. Its broader risk parameters and larger size often lead to more bespoke features, and in some cases the lender taking an observer seat on the borrower's board.

The disposition of our investments may result in contingent liabilities.

Many of our investments involve private securities. In connection with the disposition of an investment in private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to certain potential liabilities. These arrangements may result in contingent liabilities that ultimately yield funding obligations that must be satisfied through our return of certain distributions previously made to us.

Depending on funding requirements, we may need to raise additional capital to meet our unfunded commitments through additional borrowings.

As of December 31, 2024, we had approximately \$448.5 million of available unfunded commitments, including undrawn revolving facilities, which were available at the request of the portfolio company and unencumbered by milestones.

Our unfunded contractual commitments may be significant. A portion of these unfunded contractual commitments are dependent upon the portfolio company achieving certain milestones before the debt commitment becomes available. Furthermore, our credit agreements contain customary lending provisions which allow us relief from funding obligations for previously made commitments in instances where the underlying company experiences materially adverse events that affect the financial condition or business outlook for the company. These commitments will be subject to the same underwriting and ongoing portfolio maintenance as are the on-balance sheet financial instruments that we hold. Since these commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. Closed commitments generally fund 50-80% of the committed amount in aggregate over the life of the commitment. We believe that our assets provide adequate cover to satisfy all of our unfunded commitments and we intend to use cash flow from operations and early principal repayments and proceeds from borrowings and notes to fund these commitments. However, there can be no assurance that we will have sufficient capital available to fund these commitments as they come due. Our inability to fund these commitments could have a material adverse effect on our reputation in the market and our ability to generate incremental lending activity and subject us to lender liability claims.

Risks Related To Leverage

Because we have substantial borrowings, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.

Borrowings, also known as leverage, magnify the potential for loss on investments in our indebtedness and gain or loss on investments in our equity capital. As we use leverage to partially finance our investments, you will experience increased risks of investing in our securities. Accordingly, any event that adversely affects the value of an investment would be magnified to the extent we use leverage. Such events could result in a substantial loss to us, which would be greater than if leverage had not been used.

We may also borrow from banks and other lenders and may issue debt securities or enter into other types of borrowing arrangements in the future. Lenders of these senior securities will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. We generally may grant security interests in our assets, subject to any restrictions on encumbered assets imposed by the terms of our existing indebtedness.

The terms of our existing indebtedness require us to comply with certain financial and operational covenants, and we expect similar covenants in future debt instruments. Failure to comply with such covenants could result in a default under the applicable credit facility or debt instrument if we are unable to obtain a waiver from the applicable lender or holder, and such lender or holder could accelerate repayment under such indebtedness and negatively affect our business, financial condition, results of operations and cash flows. In addition, under the terms of any credit facility or other debt instrument we enter into, in the event of a default, we are likely to be required by its terms to use the net proceeds of any investments

that we sell to repay a portion of the amount borrowed under such facility or instrument before applying such net proceeds to any other uses. See "Note 5 – Debt" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity, Capital Resources and Obligations" for a discussion regarding our outstanding indebtedness.

If the value of our assets decreases, leveraging would cause NAV to decline more sharply than it otherwise would have had we not leveraged our business. Similarly, any decrease in our income would cause net investment income to decline more sharply than it would have had we not leveraged our business. Such a decline could negatively affect our ability to pay common stock dividends, scheduled debt payments or other payments related to our securities.

Our ability to service our debt depends largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. Our secured credit facilities with Sumitomo Mitsui Banking Corporation (the "SMBC Facility") and MUFG Union Bank, N.A., (the "MUFG Bank Facility") and our letter of credit facility with Sumitomo Mitsui Banking Corporation (the "SMBC LC Facility" and together with the SMBC Facility and MUFG Bank Facility, our "Credit Facilities"), as well as the February 2025 Notes, June 2025 Notes, June 2025 3-Year Notes, March 2026 A Notes, March 2026 B Notes, September 2026 Notes, January 2027 Notes, 2031 Asset-Backed Notes and 2033 Notes (each term as is individually defined under "Note 5 - Debt" and collectively, the "Notes"), each outstanding as of December 31, 2024, contain financial and operating covenants that could restrict our business activities, including our ability to declare dividend distributions if we default under certain provisions. As of December 31, 2024, we had \$283.6 million and \$116.0 million in borrowings under the SMBC Facility and MUFG Bank Facility, respectively, and approximately \$1.10 billion in aggregate principal outstanding Notes. Further we have an additional \$175.0 million and \$ 104.0 million SBA debentures outstanding and incurred by our wholly owned subsidiaries, Hercules Capital IV, LP ("HC IV") and SBIC V, L.P. ("SBIC V"), respectively, as of December 31, 2024.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming that we employ (1) our actual asset coverage ratio as of December 31, 2024, and (2) a hypothetical asset coverage ratio of 150% (each excluding our SBA debentures as permitted by our exemptive relief) each at various annual returns on our portfolio as of December 31, 2024, net of expenses. The calculations in the table below are hypothetical, and actual returns may be higher or lower than those appearing in the table below.

	Annual Return on Our Portfolio (Net of Expenses)				
	-10%	-5%	0%	5%	10%
Corresponding return to common stockholder assuming our actual asset coverage of 231.7% as of December 31, 2024 ⁽¹⁾	(23.77 %)	(14.14 %)	(4.51 %)	5.12 %	14.75 %
Corresponding return to common stockholder assuming 150% asset coverage ⁽²⁾	(42.32%)	(26.52%)	(10.72%)	5.08%	20.89%

(1) Assumes \$3.8 billion in total assets, \$1.8 billion in debt outstanding, \$2.0 billion in stockholders' equity, and an average cost of funds of 5.0%, which is the approximate average cost of our Notes and Credit Facilities for the period ended December 31, 2024. Actual interest payments may be different.

(2) Assumes \$6.3 billion in total assets including debt issuance costs on a pro forma basis, \$4.2 billion in debt outstanding, \$2.0 billion in stockholders' equity, and an average cost of funds of 5.0%, which is the approximate average cost of our Notes and Credit Facilities for the period ended December 31, 2024, along with the hypothetical estimated incremental cost of debt that would be incurred on offering the maximum permissible debt under the 150% asset coverage. Actual interest payments may be different.

Our ability to achieve our investment objective may depend in part on our ability to access additional leverage on favorable terms and there can be no assurance that such additional leverage can in fact be achieved. If we are unable to obtain leverage or renew, extend or replace our current leverage facilities, or if the interest rates of such leverage are not attractive, we could experience diminished returns. The number of leverage providers and the total amount of financing available could decrease or remain static.

Certain of our assets are subject to security interests under our senior securities and if we default on our obligations under our senior securities, we may suffer adverse consequences, including foreclosure on those assets.

Certain of our assets are currently pledged as collateral under our senior securities, including our outstanding Credit Facilities and certain Notes. If we default on our obligations under our senior securities, our lenders may have the right to foreclose upon and sell, or otherwise transfer, the collateral subject to their security interests or their superior claim. In such event, we may be forced to sell our investments to raise funds to repay our outstanding borrowings in order to avoid foreclosure and these forced sales may be at times and at prices we would not consider advantageous. Moreover, such deleveraging of our company could significantly impair our ability to effectively operate our business in the manner in which we have historically operated. As a result, we could be forced to curtail or cease new investment activities and lower

or eliminate the dividends that we have historically paid to our stockholders. In addition, if the lenders exercise their right to sell the assets pledged under our senior securities, such sales may be completed at distressed sale prices, thereby diminishing or potentially eliminating the amount of cash available to us after repayment of the amounts outstanding under the senior securities.

If our operating performance declines and we are not able to generate sufficient cash flow to service our debt obligations, we may in the future need to refinance or restructure our debt, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the required lenders under our senior securities to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under our senior securities. If we breach our covenants under our senior securities and seek a waiver, we may not be able to obtain a waiver from the required lenders or debt holders. If this occurs, we would be in default under our senior securities, the lenders or debt holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations could proceed against the collateral securing the debt. Because certain of our senior securities have customary cross-default and cross-acceleration provisions, if the indebtedness under our senior securities is accelerated, we may be unable to repay or finance the amounts due.

We may invest in derivatives or other assets that expose us to certain risks, including market risk, liquidity risk and other risks similar to those associated with the use of leverage.

We may invest in derivatives and other assets that are subject to many of the same types of risks related to the use of leverage. Derivative transactions, if any, will generally create leverage for us and involve significant risks. The primary risks related to derivative transactions include counterparty, correlation, liquidity, leverage, volatility, over-the-counter trading, operational and legal risks. In addition, a small investment in derivatives could have a large potential impact on our performance, effecting a form of investment leverage on our portfolio. In certain types of derivative transactions, we could lose the entire amount of our investment; in other types of derivative transactions the potential loss is theoretically unlimited.

Rule 18f-4 under the 1940 Act ("Rule 18f-4") requires a BDC that uses derivatives to comply with certain value-at-risk leverage limits, a derivatives risk management program and board oversight and reporting requirements. However, Rule 18f-4 exempts BDCs that qualify as "limited derivatives users" from the aforementioned requirements, provided that these BDCs adopt written policies and procedures that are reasonably designed to manage the BDC's derivatives risks and comply with certain recordkeeping requirements. We intend to operate under the limited derivatives user exemption of Rule 18f-4 and have adopted written policies and procedures reasonably designed to manage our derivatives risk pursuant to Rule 18f-4.

Rule 18f-4 also permits us to enter into reverse repurchase agreements or similar financing transactions notwithstanding the senior security provision of the 1940 Act if we aggregate the amount of indebtedness associated with our reverse repurchase agreements or similar financing transactions with the aggregate amount of any other senior securities representing indebtedness when calculating the asset coverage ratios as discussed herein. In addition, under the "delayed-settlement securities" provision of Rule 18f-4, we are permitted to invest in a security on a when-issued or forward-settling basis, or with a non-standard settlement cycle, and the transaction will be deemed not to involve a senior security under the 1940 Act, provided that (i) we intend to physically settle the transaction and (ii) the transaction will settle within 35 days of its trade date. We may otherwise engage in such transaction as a "derivatives transaction" for purposes of compliance with the rule. Furthermore, we are permitted to enter into an unfunded commitment agreement, and such unfunded commitment agreement will not be subject to the asset coverage requirements under the 1940 Act if we reasonably believe, at the time we enter into such agreement, that we will have sufficient cash and cash equivalents to meet our obligations with respect to all such agreements as they come due. We cannot predict the effects of these requirements.

Risks Related To Our Investment Management Activities

Our executive officers and employees, through the Adviser Subsidiary, are expected to manage the Adviser Funds, which includes funds from External Parties, that operate in the same or a related line of business as we do, which may result in significant conflicts of interest.

Our executive officers and employees, through the Adviser Subsidiary, are expected to manage the Adviser Funds that operate in the same or a related line of business as we do, and which funds may be invested in by us and/or our executive officers and employees. Accordingly, they may have obligations to such other entities, the fulfillment of which obligations may not be in the interests of us or our stockholders. Our relationship with the Adviser Subsidiary may require us to commit resources to achieving the Adviser Funds or External Parties' investment objectives, while such resources were previously solely devoted to achieving our investment objective. Our investment objective and investment strategies may be very similar to those of the Adviser Funds and External Parties, and it is likely that an investment appropriate for us, the

Adviser Funds, or External Parties would be appropriate for the other entity. We and the Adviser Subsidiary have established policies and procedures governing the allocation investment opportunities between us, the Adviser Funds, and External Parties. We may be limited in or unable to participate in certain investments based upon such allocation policy. Although we will endeavor to allocate investment opportunities in a fair and equitable manner, we may face conflicts in allocating investment opportunities between us, the Adviser Funds and External Parties managed by the Adviser Subsidiary.

In addition, we may make investments in the Adviser Funds in the form of loans. For example, prior to the receipt by the Adviser Funds of capital contributions from investors for which a capital call notice has or will be given, we expect to provide loan financing to such Adviser Funds to fund such amounts on a temporary basis in order to permit the Adviser Funds to invest in a target portfolio company within the applicable time constraints prior to the receipt by the Adviser Funds of a capital call in respect of such investment. In addition, we may provide loan financing to the Adviser Funds to cover start-up and initial operating costs prior to the receipt by the Adviser Funds of a capital call in respect of such expenses. The provision of debt financing to the Adviser Funds may cause conflicts of interest, including in situations where our interest as a lender to the Adviser Funds conflicts with the interest of holders of third-party equity interests.

We, through the Adviser Subsidiary, derive revenues from managing third-party funds pursuant to management agreements that may be terminated, which could negatively impact our operating results.

We will derive our revenues related to the Adviser Subsidiary primarily from dividend income, which the Adviser Subsidiary will pay from net profits generated from advisory fees charged to the Adviser Funds. The Adviser Funds may be established with different fee structures, including management fees payable at varying rates and carried interest or performance fees that are payable at varying hurdle rates. Investment advisory, carried interest, and performance fee revenues can be adversely affected by several factors, including market factors, third-party investor preferences, and our Adviser Subsidiary's performance and track record. A reduction in revenues of our Adviser Subsidiary, without a commensurate reduction in expenses, would adversely affect our Adviser Subsidiary's business and our revenues and results of operations derived from the Adviser Subsidiary. In addition, the terms of the investment management agreements with the Adviser Funds generally provide for the right to terminate the management agreement in certain circumstances. Termination of any such management agreements would reduce the fees we earn from the Adviser Funds, which could have a material adverse effect on our results of operations.

Risk Related To BDCs

Failure to comply with applicable laws or regulations and changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

We, the Adviser Funds and our portfolio companies are subject to applicable local, state and federal laws and regulations, including those promulgated by the SEC, the NYSE, and the Public Company Accounting Oversight Board (United States). Failure to comply with any applicable local, state or federal law or regulation could negatively impact our reputation and our business results. New legislation may also be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and our stockholders, potentially with retroactive effect. Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth herein and may result in our investment focus shifting from the areas of expertise of our investment team to other types of investments in which our investment team may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Failure to maintain our status as a BDC would reduce our operating flexibility.

If we do not remain a BDC, we might be regulated as a closed-end investment company under the 1940 Act, which would subject us to substantially more regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility.

Operating under the constraints imposed on us as a BDC and RIC may hinder the achievement of our investment objectives.

The 1940 Act and the Code impose numerous constraints on the operations of BDCs and RICs that do not apply to certain of the other investment vehicles that we may compete with. BDCs are required, for example, to invest at least 70% of their total assets in certain qualifying assets, including U.S. private or smaller U.S. public companies, cash, cash equivalents, U.S. government securities and other high-quality debt instruments that mature in one year or less from the date of investment. See "Item 1. Business – Regulation." Moreover, qualification for taxation as a RIC requires satisfaction of both the Income Test and Asset Test, as well as complying with the Distribution Requirements as set forth in the Code.

See "Certain United States Federal Income Tax Considerations — Qualifying as a Regulated Investment Company." Operating under these constraints may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objective. Any failure to do so could subject us to enforcement action by the SEC, cause us to fail to satisfy the tests and requirements associated with our RIC status and subject us to entity-level U.S. federal income taxation, cause us to fail the 70% test described above or otherwise have a material adverse effect on our business, financial condition or results of operations.

Regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital.

Our business will require capital to operate and grow. In addition to funding new and existing investments, we may pursue growth through acquisitions or strategic investments in new businesses. Completion and timing of any such acquisitions or strategic investments may be subject to a number of contingencies and risks. There can be no assurance that the integration of an acquired business will be successful or that an acquired business will prove to be profitable or sustainable. We may acquire additional capital from the following sources:

Senior Securities. We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as senior securities. As a result of issuing senior securities, we will be exposed to additional risks, including the following:

- Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% immediately after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we will be prohibited from issuing debt securities or preferred stock and/or borrowing money from banks or other financial institutions and may not be permitted to declare a dividend or make any distribution to stockholders or repurchase shares until such time as we satisfy this test.
- Any amounts that we use to service our debt or make payments on preferred stock will not be available for dividends to our common stockholders.
- It is likely that any senior securities or other indebtedness we issue will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, some of these securities or other indebtedness may be rated by rating agencies, and in obtaining a rating for such securities and other indebtedness, we may be required to abide by operating and investment guidelines that further restrict operating and financial flexibility.
- We and, indirectly, our stockholders will bear the cost of issuing and servicing such securities and other indebtedness.
- Preferred stock or any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock, including separate voting rights and could delay or prevent a transaction or a change in control to the detriment of the holders of our common stock.
- Any unsecured debt issued by us would generally rank (i) pari passu with our current and future unsecured indebtedness and effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, and (ii) structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries.

Additional Common Stock. We are not generally able to issue and sell our common stock at a price below NAV per share. We may, however, sell our common stock or warrants, options or rights to acquire our common stock at a price below the current NAV per share of the common stock in accordance with the requirements of Section 63(2) of the 1940 Act if our Board determines that such sale is in the best interests of our stockholders, and if our stockholders approve such sale. Our stockholders have authorized us to issue common stock at a price below the then-current NAV per share, subject to certain conditions including Board approval, for a twelve-month period expiring on August 15, 2025. See "Risk Factors – Risks Related to our Securities — Stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities to subscribe to, convert to or purchase shares of our common stock" for a discussion of the risks related to us issuing shares of our common stock below NAV per share. We may also make rights offerings to our stockholders at prices per share less than the NAV per share, without stockholder approval but subject to certain other applicable regulatory requirements. Our stockholders have also authorized us to issue debt with warrants or debt convertible into shares of common stock at an exercise or conversion price that, at the time such warrants or convertible debt are issued, will not be less than the market value per share but may be below our then current NAV per share, in accordance with the requirements of Section 61(a)(4) of the 1940 Act. There is no expiration date on our ability to issue such warrants or convertible debt securities based on this stockholder approval. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our

common stock, the percentage ownership of our stockholders at that time would decrease, and they may experience dilution. Moreover, we can offer no assurance that we will be able to issue and sell additional equity securities in the future, on favorable terms or at all.

Risks Related To Our Securities

Investing in our securities may involve a high degree of risk.

The investments we make in accordance with our investment objective may be highly speculative and result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. As a result, an investment in our securities may not be suitable for someone with lower risk tolerance.

Shares of closed-end investment companies, including BDCs, may trade at a discount to their NAV.

Shares of closed-end investment companies, including BDCs, may trade at a discount to their NAV. This characteristic of closed-end investment companies and BDCs is separate and distinct from the risk that our NAV per share may decline. We cannot predict whether our common stock will trade at, above or below NAV. In addition, if our common stock trades below our NAV per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board makes certain determinations. While our stockholders have authorized us to issue common stock at a price below the then-current NAV per share, subject to certain conditions including Board approval, for a twelve-month period expiring on August 15, 2025, we cannot predict whether we will make any such sales. See "Risk Factors — Risks Related to our Securities — Stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities to subscribe to, convert to or purchase shares of our common stock" for a discussion related to us issuing shares of our common stock below NAV.

The market price of our securities may be volatile and fluctuate significantly.

Fluctuations in the trading prices of our securities may adversely affect the liquidity of the trading market for our securities and, if we seek to raise capital through future securities offerings, our ability to raise such capital. The market price and liquidity of the market for our securities may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- changes in regulatory policies, accounting pronouncements or tax guidelines;
- the exclusion of BDC common stock from certain market indices, such as what happened with respect to the Russell indices and the Standard and Poor's indices, could reduce the ability of certain investment funds to own our common stock and limit the number of owners of our common stock and otherwise negatively impact the market price of our common stock;
- inability to obtain any exemptive relief that may be required by us in the future from the SEC;
- loss of our BDC or RIC status or our wholly owned subsidiaries' statuses as SBICs;
- changes in our earnings or variations in our operating results;
- changes in the value of our portfolio of investments;
- any shortfall in our investment income or net investment income or any increase in losses from levels expected by investors or securities analysts;
- loss of a major funding source;
- fluctuations in interest rates;
- the operating performance of companies comparable to us;
- departure of our key personnel;
- proposed, or completed, offerings of our securities, including classes other than our common stock;
- global or national credit market changes; and
- general economic trends and other external factors.

We may not be able to pay distributions to our stockholders, our distributions may not grow over time, and a portion of distributions paid to our stockholders may be a return of capital, which is a distribution of the stockholders' invested capital.

We intend to pay distributions to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to pay a specified level of cash distributions, previously projected distributions for future periods, or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by, among other things, the impact of one or more of the risk factors described herein. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC could limit our ability to pay distributions. All distributions will be paid at the discretion of our Board and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable BDC regulations, compliance with our debt covenants and such other factors as our Board may deem relevant from time to time. We cannot assure you that we will pay distributions to our stockholders in the future.

When we make distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated taxable earnings, recognized capital gains or capital. To the extent there is a return of capital, investors will be required to reduce their basis in our stock for U.S. federal income tax purposes, which may result in higher tax liability when the shares are sold, even if they have not increased in value or have lost value.

Stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities to subscribe to, convert to or purchase shares of our common stock.

The 1940 Act prohibits us from selling shares of our common stock at a price below the current NAV per share of such stock, with certain exceptions. One such exception is prior stockholder approval of issuances below NAV provided that our Board makes certain determinations. In connection with our 2024 Annual Meeting, we obtained authorization from our stockholders to issue common stock below our NAV per share, subject to certain conditions including Board approval, for a twelve-month period expiring on August 15, 2025. We may also seek such authorization at future annual or special meetings of stockholders. Our stockholders have previously approved a proposal to authorize us to issue securities to subscribe to, convert to, or purchase shares of our common stock in one or more offerings. Even though we have obtained authorization from our stockholders to issue common stock at a price below our NAV, we cannot predict whether we will make any such sales. Any decision to sell shares of our common stock below NAV per share of our common stock or securities to subscribe to, convert to, or purchase shares of our common stock would be subject to the determination by our Board that such issuance is in our and our stockholders' best interests.

If we were to sell shares of our common stock below NAV per share, such sales would result in an immediate dilution to the NAV per share. This dilution would occur as a result of the sale of shares at a price below the then current NAV per share of our common stock and a proportionately greater decrease in a stockholder's interest in our earnings and assets and voting interest in us than the increase in our assets resulting from such issuance. In addition, if we issue securities to subscribe to, convert to or purchase shares of common stock, the exercise or conversion of such securities would increase the number of outstanding shares of our common stock. Any such exercise would be dilutive on the voting power of existing stockholders and could be dilutive with regard to dividends and our NAV, and other economic aspects of the common stock.

Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted; however, the example below illustrates the effect of dilution to existing stockholders resulting from the sale of common stock at prices below the NAV of such shares.

Illustration: Example of Dilutive Effect of the Issuance of Shares Below NAV . Assume that Company XYZ has 1,000,000 total shares outstanding, \$15,000,000 in total assets and \$5,000,000 in total liabilities. The NAV per share of the common stock of Company XYZ is \$10.00. The following table illustrates the reduction to NAV, or NAV, and the dilution

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experienced by Stockholder A following the sale of 40,000 shares of the common stock of Company XYZ at \$9.50 per share, a price below its NAV per share.

	Prior to Sale Below NAV	Following Sale Below NAV		Percentage Change
Reduction to NAV				
Total Shares Outstanding		1,000,000	1,040,000	4.0 %
NAV per share	\$ 10.00	\$ 9.98		(0.2) %
Dilution to Existing Stockholder				
Shares Held by Stockholder A		10,000	10,000 ⁽¹⁾	0.0 %
Percentage Held by Stockholder A		1.00 %	0.96 %	(4.0) %
Total Interest of Stockholder A in NAV	\$ 100,000	\$ 99,808		(0.2) %

(1) Assumes that Stockholder A does not purchase additional shares in the sale of shares below NAV.

In addition, all distributions in cash payable to stockholders who participate in our dividend reinvestment plan are automatically reinvested in shares of our common stock. As a result, stockholders who opt out of our dividend reinvestment plan will experience dilution of their ownership percentage of our common stock over time.

Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Maryland General Corporation Law and our charter and bylaws contain provisions that may have the effect of discouraging, delaying, or making difficult a change in control of our company or the removal of our incumbent directors. For example, our governing documents provide for a staggered board and authorize the issuance of "blank check" preferred stock. The existence of these provisions, among others, may have a negative impact on the price of our common stock and may discourage third party bids for ownership of our company. These provisions may prevent any premiums being offered to you for our common stock.

We may in the future determine to issue preferred stock, which could adversely affect the market value of our common stock.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. In addition, the dividends on any preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of preferred stock must take preference over any dividends or other payments to our common stockholders, and holders of preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into common stock). In addition, under the 1940 Act, preferred stock constitutes a "senior security" for purposes of the asset coverage test.

Except for the 2031 Asset-Backed Notes, the Notes are unsecured and therefore effectively subordinated to any current or future secured indebtedness.

The Notes, except for the 2031 Asset-Backed Notes (with such exception, the "Unsecured Notes"), are not secured by any of our assets or any of the assets of our subsidiaries and rank equally in right of payment with all of our existing and future unsubordinated, unsecured indebtedness. As a result, the Unsecured Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have currently incurred and may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Unsecured Notes.

The Unsecured Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The Unsecured Notes are obligations exclusively of Hercules Capital, Inc. and not of any of our subsidiaries (which includes, for purposes of this risk factor only, our affiliated securitization trust). None of our subsidiaries are or act as guarantors of the Unsecured Notes. Furthermore, the Unsecured Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. Our secured indebtedness with respect to the SBA debentures is held through one of our SBIC subsidiaries. Our secured indebtedness with respect to the 2031 Asset-Backed Notes is held through our affiliated securitization trust. The assets of our subsidiaries are not directly available to satisfy the claims of our

creditors, including holders of the Unsecured Notes. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors (including holders of preferred stock, if any, of our subsidiaries) will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the Unsecured Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. As a result of not having a direct claim against any of our subsidiaries, the Unsecured Notes are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries and any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the Unsecured Notes.

There is no active public trading market for the June 2025 Notes, June 2025 3-Year Notes, March 2026 A Notes, March 2026 B Notes, September 2026 Notes, January 2027 Notes, or 2031 Asset-Backed Notes. As a result, a holder may not be able to resell any of such notes.

There currently is no active public trading market for the June 2025 Notes, June 2025 3-Year Notes, March 2026 A Notes, March 2026 B Notes, September 2026 Notes, January 2027 Notes, or 2031 Asset-Backed Notes. We do not currently intend to apply for listing of any such notes on any securities exchange or for quotation of any such notes on any automated dealer quotation system. If no active trading market develops, a holder may not be able to resell any at their fair market value or at all. If any of such notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, general economic conditions, our financial condition, performance and prospects and other factors. If a market is made for any of such notes, any such market-making may be discontinued at any time. In addition, any market-making activity, if any, will be subject to limits imposed by law. Accordingly, we can provide no assurance that a liquid trading market, if any, will develop for such notes, that a holder will be able to sell any of such notes at a particular time, or that the price a holder may receive when it sells any of such notes will be favorable. To the extent an active trading market does not develop, the liquidity and trading price for such notes may be harmed. Accordingly, a holder may be required to bear the financial risk of an investment in such notes for an indefinite period of time.

The 2033 Notes are listed on the NYSE under the symbol "HCXY." We cannot provide any assurances that an active trading market will be maintained for 2033 Notes, that a holder will be able to sell its 2033 Notes, or that the price a holder may receive when it sells its 2033 Notes will be favorable. The 2033 Notes may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, general economic conditions, our financial condition, performance and prospects and other factors. The underwriters of the public offering of the 2033 Notes have advised us that they intend to make a market in the 2033 Notes, but they are not obligated to do so. Such underwriters may discontinue any market-making in the 2033 Notes at any time at their sole discretion.

A downgrade, suspension, or withdrawal of the credit rating assigned by a rating agency to us or our debt securities, if any, or change in the debt markets could cause the liquidity or market value of our debt securities to decline significantly.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our outstanding debt and equity securities and our ability to raise capital. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of such debt and equity securities. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. There can be no assurance that a credit rating will remain for any given period of time or that such credit ratings will not be lowered or withdrawn entirely if future circumstances relating to the basis of the credit rating, such as adverse changes in our company, so warrant. An increase in the competitive environment, inability to cover distributions, or increase in leverage could lead to a downgrade in our credit ratings and limit our access to the debt and equity markets capability impairing our ability to grow the business. The conditions of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future.

The indentures under which the 2033 Notes, September 2026 Notes and January 2027 Notes were issued contain limited protections for the holders of such notes.

The indentures under which the 2033 Notes, September 2026 Notes and January 2027 Notes were issued offers limited protections to the holders of such notes. The terms of the respective 2033 Notes, September 2026 Notes and January 2027 Notes indentures do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on an investment in such notes. In

particular, the terms of the respective 2033 Notes, September 2026 Notes and January 2027 Notes indentures do not place any restrictions on our or our subsidiaries' ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to such notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to such notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore would rank structurally senior to such notes and (4) securities, indebtedness or other obligations issued or incurred by our subsidiaries that would be senior in right of payment to our equity interests in our subsidiaries and therefore would rank structurally senior in right of payment to such notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect to any exemptive relief granted to us by the SEC (currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt or the sale of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150% thereafter after such borrowings);
- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to such notes, including subordinated indebtedness;
- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);
- enter into transactions with affiliates;
- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;
- make investments; or
- create restrictions on the payment of distributions or other amounts to us from our subsidiaries.

Furthermore, the terms of the respective 2033 Notes, September 2026 Notes and January 2027 Notes indentures do not protect their respective holders in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow or liquidity.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the 2033 Notes, September 2026 Notes and January 2027 Notes may have important consequences for their holders, including making it more difficult for us to satisfy our obligations with respect to the 2033 Notes, September 2026 Notes and January 2027 Notes or negatively affecting their trading value.

Certain of our debt instruments include more protections for their respective lenders than the 2033 Notes, September 2026 Notes and January 2027 Notes, and we may issue or incur additional debt in the future which could contain more protections for its holders, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of such notes.

Terms relating to redemption may materially adversely affect the return on any debt securities that we may issue.

With respect to debt securities issued by us that are redeemable at our option, we may choose to redeem such debt securities at times when prevailing interest rates are lower than the interest rate paid on such debt securities. In addition, with respect to debt securities issued by us that are subject to mandatory redemption, we may be required to redeem such debt securities at times when prevailing interest rates are lower than the interest rate paid on such debt securities. In these circumstances, such noteholders may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as those debt securities being redeemed. We may redeem our Notes at a redemption price set forth under the terms of the agreements governing the Notes. See "Note 5 – Debt." If we choose to redeem our Notes when the fair market value is above par value, such noteholders would experience a loss of any potential premium.

If we default on our obligations imposed upon us by our indebtedness, we may not be able to make payments on our outstanding Notes and Credit Facilities.

The agreements governing our indebtedness, including our Notes and Credit Facilities, require us to comply with certain financial, operational and payment covenants. These covenants require us to, among other things, maintain certain financial ratios, including asset coverage, debt to equity and interest coverage. Our ability to continue to comply with these covenants in the future depends on many factors, some of which are beyond our control. Any default under such

agreements, or other indebtedness to which we may be a party, that is not waived by the required lenders or holders, and the remedies sought by the holders of such indebtedness, could make us unable to pay principal, premium, if any, and interest on any of our indebtedness, including our Notes and Credit Facilities, or other indebtedness and substantially decrease the market value of our outstanding Notes and Credit Facilities debt. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, (i) the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, (ii) the lenders under our Credit Facilities or other debt we may incur in the future could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and (iii) we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to seek to obtain waivers from the required lenders under our Credit Facilities or the required holders of our outstanding Notes or other debt that we may incur in the future to avoid being in default. If we breach our debt covenants and seek a waiver, we may not be able to obtain a waiver from the required lenders or holders. If this occurs, we would be in default under the related Credit Facility or Notes and the lenders or holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations, including the lenders under our Credit Facilities, could proceed against the collateral securing the debt. Because our Credit Facilities have, and any future credit facilities will likely have, customary cross-default and cross-acceleration provisions, if our outstanding Notes are accelerated, we may be unable to repay or finance the amounts due.

We may not be able to prepay the Notes upon a change in control.

The agreements governing the June 2025 Notes, June 2025 3-Year Notes, March 2026 A Notes, March 2026 B Notes, September 2026 Notes and January 2027 Notes require us to offer to prepay all of the issued and outstanding notes upon a change in control and election by the holders, which could have a material adverse effect on our business, financial condition and results of operations. A change in control under the indentures or note purchase agreements, as applicable, occurs upon the consummation of a transaction which results in a "person" or "group" (as those terms are used in the Exchange Act and the rules promulgated thereunder) becoming the beneficial owner of more than 50% of our outstanding voting stock.

Upon a change in control event, holders of the notes may require us to prepay for cash some or all of the notes at a prepayment price equal to 100% of the aggregate principal amount of the notes being prepaid, plus accrued and unpaid interest to, but not including, the date of prepayment. If a change in control were to occur, we may not have sufficient funds to prepay any such accelerated indebtedness. The terms of the 2033 Notes and 2031 Asset-Backed Notes do not require us to purchase the 2033 Notes or 2031 Asset-Backed Notes, respectively, in connection with a change of control or any other event. Our Credit Facilities do not require us to repay the Credit Facilities in connection with a change of control, however, certain merger or consolidation transactions may trigger an event of default under the Credit Facilities, which may result in amounts outstanding under the Credit Facilities to be accelerated.

Any inability to renew, extend or replace our Credit Facilities could adversely impact our liquidity and ability to fund new investments or maintain distributions to our stockholders.

The MUFG Bank Facility matures in January 2026, plus a twelve month amortization period, and the SMBC Facility matures in November 2028, plus a twelve month amortization period. In addition, the SMBC LC Facility has a final maturity date ending February 2028. There can be no assurance that we will be able to renew, extend or replace our Credit Facilities upon maturity on terms that are favorable to us, if at all. Our ability to renew, extend or replace the Credit Facilities will be constrained by then-current economic conditions affecting the credit markets. In the event that we are not able to renew, extend or replace our Credit Facilities at the time of their respective maturities, this could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify as a RIC.

Risks Related To Our SBIC Subsidiaries

We, through our wholly owned subsidiaries, issue debt securities guaranteed by the SBA and sold in the capital markets. As a result of its guarantee of the debt securities, the SBA has fixed dollar claims on the assets of our subsidiaries that are superior to the claims of our securities holders.

Our wholly owned subsidiaries HC IV and SBIC V, have \$175.0 million and \$104.0 million of SBIC debentures outstanding, respectively. HC IV has no, and SBIC V has \$71.0 million of, additional debentures available, respectively. SBIC debentures are guaranteed by the SBA, have a maturity of ten years from the date of issuance (maturing in 2031, 2032 and 2035) and require semiannual payments of interest.

We will need to generate sufficient cash flow to make required interest payments on the debentures. If we are unable to meet the financial obligations under the debentures, the SBA, as a creditor, will have a superior claim to the assets of our SBICs over our securities holders in the event we liquidate or the SBA exercises its remedies under such debentures as the result of a default by us. See "Item 1. Business — Regulation—Small Business Administration Regulations."

Certain of our wholly owned subsidiaries are licensed by the SBA, and therefore subject to SBIC regulations.

HC IV and SBIC V are licensed as SBICs and are regulated by the SBA. The SBA places certain limitations on the financing terms of investments by SBICs in portfolio companies and prohibits SBICs from providing funds for certain purposes or to businesses in a few prohibited industries. Compliance with SBA requirements may cause HC IV or SBIC V to forego attractive investment opportunities that are not permitted under SBIC regulations. Further, the SBIC regulations require, among other things, that a licensed SBIC be periodically examined by the SBA and audited by an independent auditor, in each case to determine the SBIC's compliance with the relevant SBIC regulations. The SBA prohibits, without prior SBA approval, a "change of control" of an SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10% or more of a class of capital stock of a licensed SBIC. If either HC IV or SBIC V fails to comply with applicable SBIC regulations, the SBA could, depending on the severity of the violation, limit or prohibit HC IV's or SBIC V's issuance of SBIC debentures, declare outstanding SBIC debentures immediately due and payable, and/or limit HC IV or SBIC V from making new investments. In addition, the SBA can revoke or suspend a license for willful or repeated violation of, or willful or repeated failure to observe, any provision of the Small Business Investment Act of 1958 or any rule or regulation promulgated thereunder. Such actions by the SBA would, in turn, negatively affect us.

Our SBIC subsidiaries may be unable to make distributions to us that will enable us to meet or maintain RIC status, which could result in the imposition of an entity-level tax.

In order for us to continue to qualify for RIC tax treatment and to minimize corporate-level U.S. federal taxes, we will be required to distribute substantially all of our net ordinary taxable income and net capital gain income, including taxable income from certain of our subsidiaries, which includes the income from HC IV and SBIC V. We will be partially dependent on HC IV and SBIC V for cash distributions to enable us to meet the RIC distribution requirements. HC IV and SBIC V may be limited by SBIC regulations from making certain distributions to us that may be necessary to enable us to maintain our status as a RIC. We may have to request a waiver of the SBA's restrictions for HC IV or SBIC V to make certain distributions to maintain our eligibility for RIC status. We cannot assure you that the SBA will grant such waiver and if HC IV or SBIC V are unable to obtain a waiver, compliance with the SBIC regulations may result in loss of RIC status and a consequent imposition of an entity-level tax on us.

Risks Related To Operating As A RIC And U.S. Federal Income Taxes

We will be subject to U.S. federal income tax if we are unable to qualify as a RIC under Subchapter M Part I of the Code.

To maintain RIC status under Subchapter M Part I of the Code, we must meet the following distribution, income and asset requirements:

- The Distribution Requirements for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90% of our net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such income. Any such carryover taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income. For more information regarding tax treatment, see "Item 1. Business — Certain United States Federal Income Tax Considerations — Taxation as a Regulated Investment Company." Because we use debt financing, we are subject to an asset coverage ratio requirements under the 1940 Act and are (and may in the future become) subject to certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirement. In addition, because we receive non-cash sources of income such as PIK interest which involves us recognizing taxable income without receiving the cash representing such income, we may have difficulty meeting the distribution requirement. If we are unable to obtain cash from other sources, we could fail to qualify as a RIC and thus become subject to U.S. federal income tax.
- The Income Test will be satisfied if we obtain at least 90% of our gross income for each year from dividends, interest, gains from the sale of stock or securities or similar sources.
- The Asset Test will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy this requirement, at least 50% of the value of our assets must consist of cash, cash

equivalents, U.S. government securities, securities of other RICs, and other acceptable securities; and no more than 25% of the value of our assets can be invested in the securities, other than U.S. government securities or securities of other RICs, (i) of one issuer, (ii) of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or (iii) of certain “qualified publicly traded partnerships.”

Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments are in privately held companies, and therefore illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses. Moreover, if we fail to maintain our RIC status for any reason and are subject to U.S. federal income taxes, the resulting taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions.

We may have difficulty paying the distributions required to maintain RIC status under the Code if we recognize income before or without receiving cash representing such income.

We will include in income certain amounts that we have not yet received in cash. Among other circumstances, these amounts generally relate to: (i) amortization of OID, which may arise if (a) we receive equity, warrants, or another asset in connection with the origination of a loan; (b) we invest or acquire a debt investment at a discount to its par value; (ii) contractual PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term; (iii) contractual exit fees, which is a contractual fee accrued over the life of a loan and typically due at loan payoff; or (iv) contractual preferred dividends, which represents contractual dividends added to the preferred stock and due at the end of the preferred stock term, subject to adequate profitability at the portfolio company. Such amortization of OID, accrual to par of any debt bought below par, accrual of PIK, exit fees, and cumulative preferred dividends will be included in income before we receive the corresponding cash payments.

Since, in certain cases, we may recognize taxable income before or without receiving cash representing such income, we may have difficulty meeting the Distribution Requirements necessary to maintain RIC status under the Code. Accordingly, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify as a RIC and thus become subject to U.S. federal income tax. For additional discussion regarding the tax implications of a RIC, please see “Item 1. Business — Certain United States Federal Income Tax Considerations – Taxation as a Regulated Investment Company.”

We may in the future choose to pay distributions in our own stock, in which case you may be required to pay tax in excess of the cash you receive.

We may distribute taxable dividends that are payable in part in our stock. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable by us in cash or in shares of stock (at the stockholders' election) would satisfy the Distribution Requirements. The IRS has issued guidance providing that a dividend payable in stock or in cash at the election of the stockholders will be treated as a taxable dividend eligible for the dividends paid deduction provided that at least 20% of the total dividend is payable in cash and certain other requirements are satisfied. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long-term capital gain to the extent such dividend is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock.

Stockholders may have current tax liability on dividends they elect to reinvest in our common stock but would not receive cash from such dividends to pay such tax liability.

If stockholders participate in our dividend reinvestment plan, they will be deemed to have received, and for federal income tax purposes will be taxed on, the amount reinvested in our common stock to the extent the amount reinvested was not a tax-free return of capital. As a result, unless a stockholder is a tax-exempt entity, it may have to use funds from other sources to pay its tax liability on the value of the dividend that they have elected to have reinvested in our common stock.

Legislative or regulatory tax changes could adversely affect our stockholders.

At any time, the U.S. federal income tax laws governing RICs or the administrative interpretations of those laws or regulations may be amended. The likelihood of any new legislation being enacted is uncertain. Any of those new laws, regulations or interpretations may take effect retroactively and could adversely affect the taxation of us or our stockholders. Therefore, changes in tax laws, regulations or administrative interpretations or any amendments thereto could diminish the value of an investment in our shares or the value or the resale potential of our investments. If we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of our business and may be subject to civil fines and criminal penalties.

FATCA withholding may apply to payments made to certain foreign entities.

The Foreign Account Tax Compliance Act provisions of the Code and the related Treasury Regulations and other administrative guidance promulgated thereunder, or collectively, FATCA, generally requires us to withhold U.S. tax (at a 30% rate) on payments of interest and taxable dividends made to a foreign financial institution or non-financial foreign entity (including such an institution or entity acting as an intermediary) unless the foreign financial institution or non-financial foreign entity complies with certain information reporting, withholding, identification, certification and related requirements imposed by FATCA. Persons located in jurisdictions that have entered into an intergovernmental agreement with the United States to implement FATCA may be subject to different rules. Stockholders may be requested to provide additional information to enable us to determine whether such withholding is required.

General Risk Factors

Capital markets may experience periods of disruption and instability in the future. These market conditions, when they occur, may materially and adversely affect debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations.

U.S. capital markets have experienced volatility and disruption in recent years, including as a result of the COVID-19 pandemic, certain regional bank failures, and an inflationary economic environment. Any future market disruptions and/or illiquidity could have an adverse effect on our business, financial condition, results of operations and cash flows, as well as the businesses of our portfolio companies, and the broader financial and credit markets.

At various times, such disruptions in the past have resulted in, and may in the future result in, a lack of liquidity in parts of the debt capital markets, significant write-offs in the financial services sector and the repricing of credit risk. Such conditions may occur for a prolonged period of time, and may materially worsen in the future, including as a result of U.S. government shutdowns, or future downgrades to the U.S. government's sovereign credit rating or the perceived credit worthiness of the U.S. or other large global economies. In addition, the current U.S. political environment and the new incoming U.S. federal administration and the resulting uncertainties regarding actual and potential shifts in U.S. foreign investment, trade, healthcare, taxation, economic, environmental and other policies, as well as the impact of geopolitical tension, such as a deterioration in the bilateral relationship between the U.S. and China or the conflict between Russia and Ukraine or conflict in the Middle East, could lead to disruption, instability and volatility in the global capital markets. Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have limited in the past and could continue to limit our investment originations, and limit our ability to grow and could have a material negative impact on our operating results, financial condition, results of operations and cash flows and the value of our debt and equity investments.

In addition, the U.S. and global capital markets have in the past, and may in the future, experience periods of extreme volatility and disruption during economic downturns and recessions. Trade wars and volatility in the U.S. repo market, the U.S. high yield bond markets, the Chinese stock markets and global markets for commodities may affect financial markets worldwide. Increases to budget deficits or direct and contingent sovereign debt may create concerns about the ability of certain nations to service their sovereign debt obligations and any risks resulting from any such debt crisis in Europe, the United States or elsewhere could have a detrimental impact on the global economy, sovereign and non-sovereign debt markets and the financial condition of financial institutions generally. Government shutdowns or austerity measures that certain countries may agree to as part of any debt crisis or disruptions to major financial trading markets may adversely affect world economic conditions, our business and the businesses of our portfolio companies.

Uncertainty about presidential administration initiatives could negatively impact our business, financial condition and results of operations.

There is significant uncertainty with respect to legislation, regulation and government policy at the federal level, as well as the state and local levels. Recent events, including the 2024 U.S. presidential election, have created a climate of heightened uncertainty and introduced new and difficult-to-quantify macroeconomic and political risks with potentially far-

reaching implications. To the extent the U.S. Congress or the presidential administration implements changes to U.S. policy, those changes may impact, among other things, the U.S. and global economy, international trade and relations, unemployment, immigration, corporate taxes, healthcare, the U.S. regulatory environment, inflation and other areas. Although we cannot predict the impact, if any, of these changes to our business, they could adversely affect our business, financial condition, operating results and cash flows. Until we know what policy changes are made and how those changes impact our business and the business of our competitors over the long term, we will not know if, overall, we will benefit from them or be negatively affected by them.

Changes to U.S. tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.

There have been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs, creating significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, treaties and tariffs. These developments, or the perception that more of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us.

Deterioration in the economy and financial markets could impair our portfolio companies' financial positions and operating results and affect the industries in which we invest, which could, in turn, harm our operating results.

The broader fundamentals of the United States economy remain mixed. In the event that the United States economy contracts, it is likely that the financial results of small to mid-sized companies, like those in which we invest, could experience deterioration or limited growth from current levels, which could ultimately lead to difficulty in meeting their debt service requirements and an increase in defaults. Consequently, we can provide no assurance that the performance of certain portfolio companies will not be negatively impacted by economic cycles, industry cycles or other conditions, which could also have a negative impact on our future results.

Although we have been able to secure access to additional liquidity, the potential for volatility in the debt and equity capital markets provides no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

We may experience fluctuations in our operating results.

We could experience fluctuations in our operating results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, the level of portfolio dividend and fee income, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, operating results for any period should not be relied upon as being indicative of performance in future periods.

Terrorist attacks, acts of war, public health crises, climate change, or natural disasters may affect any market for our securities, impact the businesses in which we invest and harm our business, operating results and financial condition.

Terrorist acts, acts of war, public health crises (such as the COVID-19 outbreak) or natural disasters may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. Future terrorist activities, military or security operations, public health crises, climate change, or natural disasters could further weaken the domestic/global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks, public health crises, climate change, and natural disasters are generally uninsurable.

Technological innovations and industry disruptions, including those related to artificial intelligence and machine learning, may negatively impact us.

Technological innovations, including artificial intelligence and machine learning, have disrupted traditional approaches in multiple industries and can permit younger companies to achieve success and in the process disrupt markets and market practices. We can provide no assurance that new businesses and approaches will not be created that would compete with us and/or our portfolio companies or alter the market practices in which we have been designed to function within and on which we depend on for our investment return. New approaches could damage our investments, disrupt the market in which we operate and subject us to increased competition, which could materially and adversely affect our business, financial condition and results of investments.

We may, subject to internal policies, use artificial intelligence or machine learning in connection with our business activities, including investment activities. The use of artificial intelligence and machine learning carries with it certain risks, including the risks that inputs include confidential or personally identifiable information and that outputs contain inaccuracies and errors. The applications of artificial intelligence and machine learning, including those in the investment and financial sectors, continue to develop rapidly, and it is impossible to predict all of the future risks that may arise from such developments. We cannot control the use of artificial intelligence or machine learning in our portfolio companies or third-party products or services and therefore could be exposed to associated risks if our portfolio companies, third-party service providers or any counterparties use artificial intelligence or machine learning in their business activities.

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends.

Our business is highly dependent on our and third parties' communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. Such events could include:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts and social unrest; and
- cyber-attacks, including software viruses, ransomware, malware and phishing and vishing schemes.

The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and business continuity planning could impair our ability to conduct business effectively.

Our business operations rely upon secure information technology systems for data processing, storage and reporting. Despite careful security and controls design, implementation and updating, our information technology systems could become subject to cyber-attacks, which have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency and severity in the future. Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could have a material adverse effect on our business, results of operations and financial condition.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, we may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

Third parties with which we do business (including, but not limited to, service providers, such as accountants, custodians, transfer agents and administrators, and the issuers of securities in which we invest) may also be sources or targets of cyber security or other technological risks. While we engage in actions to reduce our exposure to third-party risks, we cannot control the cyber security plans and systems put in place by these third parties and ongoing threats may result in unauthorized access, loss, exposure or destruction of data, or other cybersecurity incidents, with increased costs and other consequences, including those described above.

Privacy and information security laws and regulation changes, and compliance with those changes, may also result in cost increases due to system changes and the development of new administrative processes and may divert management's attention. Any failure to comply with such laws and regulations by us, our service providers, through the use of artificial intelligence or machine learning or otherwise could result in fines, sanctions or other penalties, which could materially and adversely affect our operating results, as well as have a negative impact on our reputation and performance.

We may be the target of litigation.

We may be the target of securities litigation in the future, particularly if the value of shares of our common stock fluctuates significantly. We could also generally be subject to litigation, including derivative actions by our stockholders or

in connection with shareholder activism. In addition, our investment activities subject us to litigation relating to the bankruptcy process and the normal risks of becoming involved in litigation by third parties. This risk is somewhat greater where we exercise control or significant influence over a portfolio company's direction. Any litigation could result in substantial costs and divert management's attention and resources from our business and cause a material adverse effect on our business, financial condition and results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Program Overview

Our cybersecurity program is designed to identify, assess, and manage material risks from cybersecurity threats. The cyber risk management program involves risk assessments, implementation of security measures, and ongoing monitoring of systems and networks, including networks on which we rely. We actively monitor the current threat landscape in an effort to identify material risks arising from new and evolving cybersecurity threats. We engage external experts, including cybersecurity assessors, consultants, and auditors to evaluate cybersecurity measures and risk management processes. We depend on and engage various third parties, including suppliers, vendors, and service providers. Our legal, operations, information technology, and compliance personnel identify and oversee risks from cybersecurity threats associated with our use of such entities.

Board Oversight of Cybersecurity Risks

Our Board provides strategic oversight on cybersecurity matters, including risks associated with cybersecurity threats. The Board receives periodic updates from our Chief Operating Officer and, as appropriate, the Chief Compliance Officer, the Director of Information Technology and third-party cybersecurity experts, regarding the overall state of our cybersecurity program, information on the current threat landscape, and risks from cybersecurity threats and cybersecurity incidents.

Management's Role in Cybersecurity Risk Management

Our management, including our Chief Operating Officer and Chief Compliance Officer, is responsible for assessing and managing material risks from cybersecurity threats. Members of Company management possess relevant expertise in various disciplines that are key to effectively managing such risks, such as information systems technology, cybersecurity, regulatory compliance and corporate governance. Our management is informed about and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents, including through the receipt of notifications from service providers and reliance on communications with legal, operations, information technology, and/or compliance personnel.

Assessment of Cybersecurity Risk

The potential impact of risks from cybersecurity threats are assessed on an ongoing basis, and how such risks could materially affect our business strategy, operational results, and financial condition are regularly evaluated. During the reporting period, we have not identified any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, that we believe have materially affected, or are reasonably likely to materially affect, us, including our business strategy, operational results, and financial condition.

Item 2. Properties

Neither we nor any of our subsidiaries own any real estate or other physical properties materially important to our operation or any of our subsidiaries. Our corporate headquarters are located at 1 North B Street, Suite 2000 in San Mateo, California. We also lease office space in Boston, MA, New York, NY, Denver, CO, Westport, CT, Chicago, IL, San Diego, CA, and London, United Kingdom.

Item 3. Legal Proceedings

We may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise. Furthermore, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, we do not expect any current matters will materially affect our financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on our financial condition or results of operations in any future reporting period.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

PRICE RANGE OF COMMON STOCK

Our common stock is traded on the NYSE under the symbol "HTGC." As of February 3, 2025, we had approximately 158,869 stockholders of record, which does not include stockholders for whom shares are held in "nominee" or "street name." Most of the shares of our common stock are held by brokers and other institutions on behalf of stockholders.

Shares of BDCs may trade at a market price that is less than the NAV per share. The possibilities that our shares of common stock will trade at a discount from NAV per share or at premiums that are unsustainable over the long term are separate and distinct from the risk that our NAV will decrease. At times, our shares of common stock have traded at a premium to NAV or at a significant discount to the NAV per share.

Price Range of Common Stock and Distributions

The following table sets forth the range of high and low closing sales prices of our common stock, the sales price as a percentage of NAV and the distributions declared by us for each fiscal quarter. The stock quotations are interdealer quotations and do not include markups, markdowns or commissions.

	NAV ⁽¹⁾	Price Range		Premium/ Discount of High Sales Price to NAV	Premium/ Discount of Low Sales Price to NAV	Cash Distribution per Share ⁽²⁾
		High	Low			
Year Ended December 31, 2023						
First quarter	\$ 10.82	\$ 16.24	\$ 11.56	50.1 %	6.8 %	\$ 0.47
Second quarter	\$ 10.96	\$ 15.08	\$ 12.38	37.6 %	13.0 %	\$ 0.47
Third quarter	\$ 10.93	\$ 18.02	\$ 14.86	64.9 %	36.0 %	\$ 0.48
Fourth quarter	\$ 11.43	\$ 16.93	\$ 15.09	48.2 %	32.1 %	\$ 0.48
Year Ended December 31, 2024						
First quarter	\$ 11.63	\$ 18.77	\$ 16.67	61.4 %	43.3 %	\$ 0.48
Second quarter	\$ 11.43	\$ 19.92	\$ 17.07	74.3 %	49.3 %	\$ 0.48
Third quarter	\$ 11.40	\$ 21.67	\$ 17.71	90.1 %	55.4 %	\$ 0.48
Fourth quarter	\$ 11.66	\$ 20.22	\$ 18.53	73.4 %	58.9 %	\$ 0.48
Year Ending December 31, 2025						
First quarter (through February 6, 2025)	* \$ 21.15	\$ 21.15	\$ 19.73	*	*	\$ 0.47

* Net asset value has not yet been calculated for this period.

(1) NAV per share is generally determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) Represents the dividend or distribution declared in the relevant quarter.

SALES OF UNREGISTERED SECURITIES

During 2024, 2023, and 2022, we issued 471,949, 303,960, and 259,466 shares, respectively, of common stock to stockholders in connection with the dividend reinvestment plan. These issuances were not subject to the registration requirements of the Securities Act of 1933, as amended ("the Securities Act"). The aggregate value of the shares of our common stock issued under our dividend reinvestment plan during the years ended December 31, 2024, 2023, and 2022 were approximately \$8.8 million, \$4.6 million, and \$4.0 million, respectively.

EQUITY COMPENSATION PLAN INFORMATION

See "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

ISSUER PURCHASES OF EQUITY SECURITIES

The Company did not repurchase common stock on the open market during the years ended 2024, 2023, and 2022. Upon vesting of restricted stock awarded pursuant to our equity compensation plans, shares may be withheld to meet applicable tax withholding requirements. Any shares withheld are treated as common stock purchases by the Company in our consolidated financial statements as they reduce the number of shares received by employees upon vesting. These shares are netted within the amounts "Issuance of common stock under equity-based award plans" and "Shares retired on vesting of equity-based awards" disclosed in the Consolidated Statements of Changes in Net Assets.

DISTRIBUTION POLICY

To maintain our RIC status under the Code, we must distribute to our stockholders dividend distributions of an amount generally at least equal to the Distribution Requirements. See "Item 1. Business - Certain United States Income Tax Considerations."

Our Board maintains a variable distribution policy with the objective of distributing four quarterly distributions in an amount that approximates 90-100% of our taxable quarterly income or potential annual income for a particular tax year. In addition, periodically our Board may choose to pay additional special distributions, so that we may distribute approximately all of our annual taxable income in the taxable year in which it was earned, or may elect to maintain the option to spill over our excess taxable income into the following taxable year as part of any future distribution payments.

Distributions from our taxable income to a stockholder generally will be treated as a dividend for U.S. federal income tax purposes to the extent of such stockholder's allocable share of our current or accumulated earnings and profits. Distributions in excess of our current and accumulated earnings and profits would generally be treated first as a return of capital to the extent of a stockholder's tax basis in our shares, and any remaining distributions would be treated as a capital gain. The determination of the tax attributes of our distributions is made annually as of the end of our taxable year based upon our taxable income for the full taxable year and distributions paid for the full taxable year. Of the distributions declared during the years ended December 31, 2024, 2023, and 2022, 100% were distributions derived from our current and accumulated earnings and profits. There can be no certainty to stockholders that this determination is representative of what the tax attributes of our 2025 distributions to stockholders will actually be and we cannot assure you that we will achieve results that will permit the payment of any cash distributions.

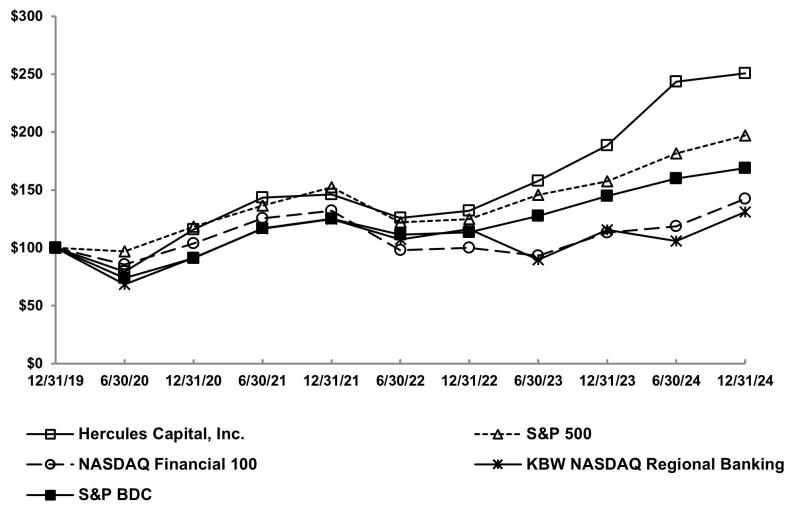
We maintain an "opt-out" distribution reinvestment plan that provides for reinvestment of our distribution on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our Board authorizes, and we declare a cash distribution, then our stockholders who have not "opted out" of our distribution reinvestment plan will have their cash distribution automatically reinvested in additional shares of our common stock, rather than receiving the cash distributions. During 2024, 2023, and 2022, we issued 471,949, 303,960 and 259,466 shares, respectively, of common stock to stockholders in connection with the distribution reinvestment plan.

PERFORMANCE GRAPH

The following stock performance graph compares the cumulative stockholder return assuming that, on December 31, 2019, a person invested \$100 in each of our common stock, the S&P 500 Index, the NASDAQ Financial 100 Index, the S&P BDC Index, and the KBW Regional Bank Index. The graph measures total stockholder return, which takes into account both changes in stock price and distributions, prior to any tax effect. It assumes that distributions paid are reinvested in like securities.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Hercules Capital, Inc., the S&P 500 Index,
the NASDAQ Financial 100 Index, the KBW NASDAQ Regional Banking Index and the S&P BDC Index



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* Assumes \$100 invested on December 31, 2019 in Hercules Capital, Inc. or the applicable index, and that all dividends are reinvested.

This graph and other information furnished under Part II, Item 5 of this Annual Report shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act. The stock price performance included in the above graph is not necessarily indicative of, or intended to forecast, future stock price performance.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

The matters discussed in this Annual Report, as well as in future oral and written statements by management of Hercules Capital, Inc., that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties, including those discussed under "Item 1A. Risk Factors," which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Important assumptions include our ability to originate new investments, achieve certain margins and levels of profitability, the availability of additional capital, and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this report should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this report include statements as to:

- our current and future management structure;
- our future operating results;
- our business prospects and the prospects of our prospective portfolio companies;
- the impact of investments that we expect to make;
- our informal relationships with third parties including in the venture capital industry;
- the expected market for venture capital investments and our addressable market;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- our ability to access debt markets and equity markets;
- the occurrence and impact of macro-economic developments (for example, global pandemics, natural disasters, terrorism, international conflicts and war) on us and our portfolio companies;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- our regulatory structure and tax status as a RIC;
- our ability to operate as a BDC and our subsidiaries ability to operate as SBICs;
- the impact of information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the timing, form and amount of any distributions;
- the impact of fluctuations in interest rates on our business;
- the valuation of any investments in portfolio companies, particularly those having no liquid trading market; and
- our ability to recover unrealized depreciation on investments.

You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this Annual Report.

Use of Non-GAAP Measures

We present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are "Non-GAAP financial measures" under SEC rules and regulations. GAAP is the acronym for "generally accepted accounting principles" in the United States. The Non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies.

Overview

We are a leading specialty finance company with a focus on providing financing solutions to high-growth and innovative venture capital-backed and institutional-backed companies in a variety of technology and life sciences industries. Our primary business objectives are to increase our net income, net investment income, and net asset value through our investments. We principally invest in debt securities and, to a lesser extent, warrant and equity securities, with a particular emphasis on Structured Debt. We aim to achieve our business objectives by maximizing our portfolio total return through generation of current income from our debt investments and capital appreciation from our warrant and equity investments. We expect that our investments will generally range from \$25.0 million to \$100.0 million, although we may make investments in amounts above or below this range. Through generation of current income from our debt investments and capital appreciation from our warrant and equity investments, we aim to maximize our portfolio total return.

Since inception through December 31, 2024, we have originated more than \$21.0 billion in commitments in over 600 companies. We, through the Adviser Subsidiary, may also agree to manage certain other funds that invest in debt, equity or provide other financing or services to companies in a variety of industries for which we, through the Adviser Subsidiary may earn management or other fees for our services. As of December 31, 2024, we, including through our Adviser Subsidiary, actively manage approximately \$4.8 billion of assets.

We are structured as an internally managed, non-diversified, closed-end investment company that has elected to be regulated as a BDC under the 1940 Act. As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," which includes securities of private U.S. companies, cash, cash equivalents, and high-quality debt investments that mature in one year or less. Consistent with requirements under the 1940 Act, we invest primarily in United States based companies and to a lesser extent in foreign companies. We source our investments through our principal office located in San Mateo, CA, as well as through our additional offices in Boston, MA, New York, NY, San Diego, CA, Denver, CO, and London, United Kingdom.

We have elected to be treated for tax purposes as a RIC under the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. In order to qualify as a RIC, among other requirements, we must maintain certain income, asset, and distribution requirements. As a RIC, we generally will not be subject to U.S. federal income tax on the income that we distribute (or are deemed to distribute) to our stockholders provided that we maintain our RIC status for a given year. See "Certain United States Federal Income Tax Considerations" for additional information.

Portfolio and Investment Activity

The total fair value of our investment portfolio as of December 31, 2024 and December 31, 2023 was as follows:

(in millions)	Fair Value	
	December 31, 2024	December 31, 2023
Debt	\$ 3,494.6	\$ 3,057.3
Equity	128.7	152.2
Warrants	30.5	33.9
Investment Funds & Vehicles	6.2	4.6
Total Investment Portfolio	\$ 3,660.0	\$ 3,248.0

Our investments in portfolio companies take a variety of forms, including unfunded contractual commitments and funded investments. Not all debt commitments represent future cash requirements. Unfunded contractual commitments depend upon a portfolio company reaching certain milestones before the debt commitment is available to the portfolio company, which is expected to affect our funding levels. These commitments are subject to the same underwriting and ongoing portfolio maintenance as the on-balance sheet financial instruments that we hold. Debt commitments generally fund over the year following the underwriting of such debt commitment. From time to time, unfunded contractual commitments may expire without being drawn and thus do not represent future cash requirements.

Prior to entering into a contractual commitment, we generally issue a non-binding term sheet to a prospective portfolio company. Non-binding term sheets are subject to completion of our due diligence and final investment committee approval process, as well as the negotiation of definitive documentation with the prospective portfolio companies. These non-binding term sheets generally convert to contractual commitments in approximately 90 days from signing and some portion may be assigned or allocated to or directly originated by the Adviser Funds prior to or after closing. Not all non-binding term sheets are expected to close and do not necessarily represent future cash requirements.

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Our portfolio activity for the years ended December 31, 2024 and 2023 was comprised of the following:

(in millions)	December 31, 2024	December 31, 2023
<u>Investment Commitments⁽¹⁾</u>		
Investment Commitments Originated by Hercules Capital and the Adviser Funds	\$ 2,692.7	\$ 2,174.1
Less: Commitments assigned to or directly committed by the Adviser Funds	(562.1)	(595.6)
Net Total Investment Commitments	\$ 2,130.6	\$ 1,578.5
Gross Debt Commitments Originated by Hercules Capital and the Adviser Funds		
New portfolio company	\$ 2,335.4	\$ 1,571.0
Existing portfolio company	344.8	589.5
Sub-total	2,680.2	2,160.5
Less: Debt commitments assigned to or directly committed by the Adviser Funds	(559.9)	(593.7)
Net Total Debt Commitments	\$ 2,120.3	\$ 1,566.8
<u>Investment Fundings⁽²⁾</u>		
Gross Debt Fundings by Hercules Capital and the Adviser Funds		
New portfolio company	\$ 1,281.7	\$ 747.3
Existing portfolio company	513.5	836.5
Sub-total	1,795.2	1,583.8
Less: Debt fundings assigned to or directly funded by the Adviser Funds	(381.4)	(348.8)
Net Total Debt Fundings	\$ 1,413.8	\$ 1,235.0
Equity Investments and Investment Funds and Vehicles Fundings by Hercules Capital and the Adviser Funds		
New portfolio company	\$ 2.0	\$ 2.0
Existing portfolio company	10.0	12.8
Sub-total	\$ 12.0	\$ 14.8
Less: Equity fundings assigned to or directly funded by the Adviser Funds	(1.8)	(1.9)
Net Total Equity and Investment Funds and Vehicle Fundings	\$ 10.2	\$ 12.9
Total Unfunded Contractual Commitments ⁽³⁾	\$ 448.5	\$ 335.3
Non-Binding Term Sheets		
New portfolio company	\$ 297.6	\$ 645.0
Existing portfolio company	—	31.8
Total	\$ 297.6	\$ 676.8

(1) Includes restructured loans and renewals in addition to new commitments.

(2) Funded amounts include borrowings on revolving facilities.

(3) Amount represents unfunded commitments, including undrawn revolving facilities, which are available at the request of the portfolio company. Amount excludes unfunded commitments which are unavailable due to the borrower having not met certain milestones. This excludes \$139.7 million and \$127.7 million of unfunded commitments as of December 31, 2024 and December 31, 2023, respectively, to portfolio companies related to loans assigned to or directly committed by the Adviser Funds.

We receive principal payments on our debt investment portfolio based on scheduled amortization of the outstanding balances. In addition, we receive principal repayments for some of our loans prior to their scheduled maturity date. The frequency or volume of these early principal repayments may fluctuate significantly from period to period. During the year ended December 31, 2024, we received approximately \$953.6 million in aggregate principal repayments. Approximately \$31.6 million of the aggregate principal repayments related to scheduled principal payments and approximately \$922.0 million were early principal repayments related to 56 portfolio companies.

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Total portfolio investment activity (inclusive of unearned income and excluding activity related to taxes payable and escrow receivables) as of and for the years ended December 31, 2024 and December 31, 2023 was as follows:

(in millions)	December 31, 2024	December 31, 2023
Beginning Portfolio	\$ 3,248.0	\$ 2,963.9
New fundings and restructures	1,807.2	1,598.6
Fundings assigned to or directly funded by the Adviser Funds	(383.2)	(350.7)
Warrants not related to current period fundings	0.3	1.3
Principal repayments received on investments	(31.6)	(50.8)
Early payoffs	(922.0)	(925.1)
Proceeds from sale of debt investments	—	(26.7)
Proceeds from sale of equity and warrant investments	(49.4)	(43.2)
Accretion of loan discounts and paid-in-kind interest	87.7	59.5
Net acceleration of loan discounts and loan fees due to early payoffs or restructures	(12.3)	(14.1)
New loan fees	(15.2)	(13.5)
Gain (loss) on investments due to sales or write offs	(19.7)	6.0
Net change in unrealized appreciation (depreciation)	(49.8)	42.8
Ending Portfolio	\$ 3,660.0	\$ 3,248.0

Additionally, we may hold investments in debt, warrant, or equity positions of portfolio companies that have filed a registration statement with the SEC in contemplation of a potential IPO. There can be no assurance that companies that have yet to complete their IPO will do so in a timely manner or at all.

The following table presents certain additional selected information regarding our debt investment portfolio as of December 31, 2024 and December 31, 2023. This includes information on index rate floors which we have in place on all of our floating rate debt investments.

	December 31, 2024	December 31, 2023
Number of portfolio companies with debt outstanding	118	125
Percentage of debt bearing a floating rate	97.4 %	95.9 %
Percentage of debt bearing a fixed rate	2.6 %	4.1 %
Weighted average core yield on debt investments ⁽¹⁾⁽³⁾	12.9 %	14.3 %
Weighted average effective yield on debt investments ⁽²⁾⁽³⁾	13.7 %	15.3 %
Prime rate at the end of the period	7.50 %	8.50 %
Percentage of Prime rate linked debt investments	77.5 %	69.2 %
Weighted average floor rate bearing a Prime rate	7.2 %	5.7 %
Percentage of SOFR, SONIA and BSBY rate linked debt investments	19.9 %	26.7 %
Weighted average floor rate bearing a SOFR, SONIA or BSBY rate	1.0 %	1.1 %

(1) The core yield is a Non-GAAP financial measure. The core yield on our debt investments excludes the effects of fee and income accelerations attributed to early payoffs, restructuring, loan modifications, other one-time events, and includes income from expired commitments. Please refer to the "Portfolio Yield" section below for further discussion of this measure.

(2) The effective yield on our debt investments includes the effects of fee and income accelerations attributed to early payoffs, restructuring, loan modifications, and other one-time events. The effective yield is derived by dividing total investment income from debt investments by the weighted average earning investment portfolio assets outstanding during the year, excluding non-interest earning assets such as warrants and equity investments. Please refer to the "Portfolio Yield" section below for further discussion of this measure.

(3) The core and effective yields represent the weighted average yields for the three month periods ended December 31, 2024 and December 31, 2023. Please refer to the "Portfolio Yield" section below for further discussion of these measures.

Macroeconomic Market Developments

The capital markets are subject to fluctuations caused by various external factors such as changes in the inflationary environment, interest rate movements, concerns over slowing economic growth and possible global recession, changes to U.S. tariff and import/export regulations, uncertainty and disruption caused by geopolitical events, including the conflicts in Ukraine, Russia, and the Middle East, among other factors. These macroeconomic developments are outside our control and could require us to adjust our plan of operations, and impact our financial position, results of operations or cash flows in the future. We monitor macroeconomic market developments and their related impact to our business, including impacts to our portfolio companies, employees, due diligence and underwriting processes, and the broader financial markets.

Our investment portfolio continues to be focused on industries and sectors that are generally expected to be more resilient to U.S. and global economic cycles. This includes being partially insulated from declining interest rates as all of

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our floating rate debt investments, which represent 97.4% and 95.9% of our debt portfolio as of December 31, 2024 and December 31, 2023, respectively, are subject to interest rate floors. While our portfolio is not immune to the impact of macroeconomic events, we believe we and our portfolio are well positioned to manage the current environment. Given the unpredictability and fluidity of the macroeconomic market, neither our management nor our Board is able to predict the full impact of the macroeconomic events on our business, future results of operations, financial position, or cash flows. For additional information, see "Part I - Item 1A. Risk Factors" in this Annual Report.

Income from Portfolio

We primarily generate revenue in the form of interest income, from our investments in debt securities, and fee income, which is primarily comprised of commitment and facility fees. Interest income is recognized in accordance with the contractual terms of the loan agreement to the extent that such amounts are expected to be collected. Fees generated in connection with our debt investments are recognized over the life of the loan or, in some cases, recognized as earned. In addition, we generate income from dividends on either direct equity investments or equity interests obtained in connection with originating loans, such as options, warrants or conversion rights. We also generate revenue in the form of capital gains, if any, on warrants or other equity securities that we acquire from our portfolio companies.

As of December 31, 2024, our debt investments generally have a term of between two and five years and typically bear interest at a rate ranging from approximately 7.5% to approximately 14.9%. In addition to the cash yields received on our debt investments, in some instances, our debt investments may also include any of the following: exit fees, balloon payment fees, commitment fees, success fees, PIK provisions or prepayment fees which may be required to be included in income prior to receipt.

Interest on debt securities is generally payable monthly, with amortization of principal typically occurring over the term of the investment. In addition, our loans may include an interest-only period ranging from three to eighteen months or longer. In limited instances in which we choose to defer amortization of the loan for a period of time from the date of the initial investment, the principal amount of the debt securities and any accrued but unpaid interest become due at the maturity date.

Loan origination and commitment fees are generally received in full at the inception of a loan, are deferred and amortized into fee income as an enhancement to the related loan's yield over the contractual life of the loan. We recognize nonrecurring fees amortized over the remaining term of the loan commencing in the quarter relating to specific loan modifications. As of December 31, 2024 and 2023, unamortized capitalized fee income was recorded as follows:

(in millions)	As of December 31,	
	2024	2023
Offset against debt investment cost	\$ 36.9	\$ 32.9
Deferred obligation contingent on funding or other milestone	9.1	9.4
Total Unamortized Fee Income	\$ 46.0	\$ 42.3

Loan exit fees to be paid at the termination of the loan are accreted into interest income over the contractual life of the loan. As of December 31, 2024 and 2023, loan exit fees receivable were recorded as follows:

(in millions)	As of December 31,	
	2024	2023
Included within debt investment cost	\$ 39.2	\$ 35.9
Deferred receivable related to expired commitments	3.0	4.3
Total Exit Fees Receivable	\$ 42.2	\$ 40.2

Additionally, we have debt investments in our portfolio that earn PIK interest. The PIK interest, computed at the contractual rate specified in each loan agreement, is recorded as interest income and added to the principal balance of the loan on specified capitalization dates. To maintain our status as a RIC, the non-cash PIK income must be distributed to stockholders with other sources of income in the form of dividend distributions even though we have not yet collected any cash from the borrower. Amounts necessary to pay these distributions may come from available cash or the liquidation of certain investments. During the years ended December 31, 2024 and December 31, 2023, we recorded approximately \$51.3 million and \$24.7 million of PIK income, respectively.

Portfolio Yield

We report our financial results on a GAAP basis. We monitor the performance of our total investment portfolio and total debt portfolio using both GAAP and Non-GAAP financial measures. In particular, we evaluate performance through monitoring the portfolio yields as we consider them to be effective indicators, for both management and stockholders, of

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the financial performance of our total investment portfolio and total debt portfolio. The key metrics that we monitor with respect to yields are as described below:

- “Total Yield” - The total yield is derived by dividing GAAP basis “Total investment income” by the weighted average GAAP basis value of investment portfolio assets outstanding during the year, including non-interest earning assets such as warrants and equity investments at amortized cost.
- “Effective Yield” on total debt investments - The effective yield is derived by dividing GAAP basis “Total investment income” from debt investments ⁽¹⁾ by the weighted average GAAP basis value of debt investment portfolio assets at amortized cost outstanding during the year.
- “Core Yield” on total debt investments – The core yield is a Non-GAAP financial measure. The core yield is derived by dividing “Core investment income” from debt investments by the weighted average GAAP basis value of debt investment portfolio assets at amortized cost outstanding during the year. “Core investment income” adjusts GAAP basis “Total investment income” from debt investments⁽¹⁾ to exclude fee and other income accelerations attributed to early payoffs, deal restructuring, loan modifications, and other one-time income events, but includes income from expired commitments.

	Three Months Ended		Year ended December 31,	
	December 31,		December 31,	
	2024	2023	2024	2023
Total Yield	13.2%	14.6%	13.9%	14.6%
Effective Yield ⁽¹⁾	13.7%	15.3%	14.4%	15.4%
Core Yield (Non-GAAP) ⁽¹⁾	12.9%	14.3%	13.5%	14.1%

(1) Yield calculated using “Total investment income” excluding bank interest, dividend income, and investment income from other assets for the three months and year ended December 31, 2024 and December 31, 2023.

We believe that these measures are useful for our stockholders as it provides further insight into the yield of our portfolio to allow a more meaningful comparison with our competitors. As noted above, Core Yield, a Non-GAAP financial measure, is derived by dividing Core investment income, as defined above, by the weighted average GAAP basis value of debt investment portfolio assets at amortized cost outstanding. The reconciliation to calculate “Core investment income” from GAAP basis “Total investment income” are as follows:

(in thousands)	Three Months Ended		Year ended December 31,	
	December 31,		December 31,	
	2024	2023	2024	2023
GAAP Basis:				
Total investment income	\$ 121,784	\$ 122,603	\$ 493,591	\$ 460,668
Less: fee and income accelerations attributed to early payoffs, restructuring, loan modifications, and other one-time events except income from expired commitments	(7,309)	(8,138)	(32,382)	(38,324)
Non-GAAP Basis:				
Core investment income	\$ 114,475	\$ 114,465	\$ 461,209	\$ 422,344
Less: bank interest income, dividend income, and other investment income from other assets	(3,002)	(2,269)	(11,371)	(5,123)
Core investment income from debt portfolio	\$ 111,473	\$ 112,196	\$ 449,838	\$ 417,221

We believe the Core Yield is useful for our investors as it provides the yield at which our debt investments are originated and eliminates one-off items that can fluctuate significantly from period to period, thereby allowing for a more meaningful comparison over time.

Although the Core Yield, a Non-GAAP financial measure, is intended to enhance our stockholders’ understanding of our performance, the Core Yield should not be considered in isolation from or as an alternative to the GAAP financial metrics presented. The aforementioned Non-GAAP financial measure may not be comparable to similar Non-GAAP financial measures used by other companies.

Another financial measure that we monitor is the total return for our investors, which was approximately 32.8% and 42.0% during the years ended December 31, 2024 and 2023, respectively. The total return equals the change in the ending market value over the beginning of the period price per share plus distributions paid per share during the period, divided by the beginning price assuming the distribution is reinvested on the date of the distribution. The total return does not reflect any sales load that may be paid by investors. See “Note 10 – Financial Highlights” included in the notes to our consolidated financial statements appearing elsewhere in this report.

Portfolio Composition

Our portfolio companies are primarily privately held companies which are active in sectors characterized by high margins, high growth rates, consolidation, and product and market extension opportunities and, to a lesser extent, public companies active in those sectors.

The following table presents the fair value of the Company's portfolio by industry sector as of December 31, 2024 and December 31, 2023:

(in thousands)

	December 31, 2024		December 31, 2023	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
Software	\$ 1,081,100	29.5 %	\$ 764,985	23.6 %
Drug Discovery & Development	1,080,390	29.5 %	1,257,699	38.7 %
Healthcare Services, Other	610,184	16.7 %	300,079	9.3 %
Consumer & Business Services	372,641	10.2 %	525,973	16.2 %
All other industries ⁽¹⁾	515,663	14.1 %	399,310	12.2 %
Total	\$ 3,659,978	100.0 %	\$ 3,248,046	100.0 %

(1) See "Note 4 – Investments" for complete list of industry sectors and corresponding amounts of investments at fair value as a percentage of the total portfolio. As of December 31, 2024, the fair value as a percentage of total portfolio does not exceed 5.0% for any individual industry sector other than "Software", "Drug Discovery & Development", "Healthcare Services, Other", and "Consumer & Business Services."

Industry and sector concentrations vary as new loans are recorded and loans are paid off. Investment income, consisting of interest, fees, and recognition of gains on equity and warrants or other equity interests, can fluctuate materially when a loan is paid off or a warrant or equity interest is sold. Investment income recognized in any given year can be highly concentrated in several portfolio companies.

For the years ended December 31, 2024 and 2023, our ten largest portfolio companies represented approximately 31.6% and 29.7% of the total fair value of our investments in portfolio companies, respectively. As of December 31, 2024 and December 31, 2023, we had six and five investments that represented 5% or more of our net assets, respectively. As of December 31, 2024 and December 31, 2023, we had three and five equity investments, respectively, that represented 5% or more of the total fair value of our equity investments. These equity investments represented approximately 49.7% and 56.5% of the total fair value of our equity investments as of December 31, 2024 and December 31, 2023, respectively.

As of December 31, 2024 and 2023, approximately 97.4% and 95.9% of the debt investment portfolio was priced at floating interest rates or floating interest rates with a Prime, SOFR, SONIA, or BSBY-based interest rate floor, respectively. Changes in interest rates, including Prime, SOFR, SONIA, or BSBY rates, may affect the interest income and the value of our investment portfolio for portfolio investments with floating rates.

Our investments in Structured Debt generally have detachable equity enhancement features in the form of warrants or other equity securities designed to provide us with an opportunity for capital appreciation. These features are treated as OID and are accreted into interest income over the term of the loan as a yield enhancement. Our warrant coverage generally ranges from 3% to 20% of the principal amount invested in a portfolio company, with a strike price generally equal to the most recent equity financing round. As of December 31, 2024, we held warrants in 98 portfolio companies, with a fair value of approximately \$30.5 million. The fair value of our warrant portfolio decreased by approximately \$3.4 million, as compared to a fair value of \$33.9 million as of December 31, 2023, primarily related to the decrease in fair value of the portfolio companies.

Our existing warrant holdings would require us to invest approximately \$60.5 million to exercise such warrants as of December 31, 2024. Warrants may appreciate or depreciate in value depending largely upon the underlying portfolio company's performance and overall market conditions. As attractive investment opportunities arise, we may exercise certain of our warrants to purchase stock, and could ultimately monetize our investments. Of the warrants that we have monetized since inception, we have realized multiples in the range of approximately 1.02x to 42.71x based on the historical rate of return on our investments. We may also experience losses from our warrant portfolio in the event that warrants are terminated or expire unexercised.

Portfolio Grading

We use an investment grading system, which grades each debt investment on a scale of 1 to 5 to characterize and monitor our expected level of risk on the debt investments in our portfolio with 1 being the highest quality. The following

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table shows the distribution of our outstanding debt investments on the 1 to 5 investment grading scale at fair value as of December 31, 2024 and 2023, respectively:

(in thousands)	December 31, 2024			December 31, 2023		
	Number of Companies	Debt Investments at Fair Value	Percentage of Total Portfolio	Number of Companies	Debt Investments at Fair Value	Percentage of Total Portfolio
1	19	\$ 654,489	18.7 %	20	\$ 626,770	20.5 %
2	53	1,649,906	47.2 %	52	1,286,195	42.1 %
3	39	1,012,603	29.0 %	47	1,040,629	34.0 %
4	6	159,372	4.6 %	5	103,705	3.4 %
5	1	18,231	0.5 %	1	—	0.0 %
	118	\$ 3,494,601	100.0 %	125	\$ 3,057,299	100.0 %

As of December 31, 2024 and December 31, 2023, our debt investments had a weighted average investment grading of 2.26 and 2.24 on a cost basis, respectively. Changes in a portfolio company's investment grading may be a result of changes in portfolio company's performance and/or timing of expected liquidity events. For instance, we may downgrade a portfolio company if it is not meeting our financing criteria or are underperforming relative to its respective business plan. We may also downgrade a portfolio company as it approaches a point in time when it will require additional equity capital to continue operations. Conversely, we may upgrade a portfolio company's investment grading when it is exceeding our financial performance expectations and/or is expected to mature/repay in full due to a liquidity event. The overall downgrade of the portfolio's weighted average investment grading is reflective of the impact of the current macroeconomic environment.

If macroeconomic events evolve and cause disruption in the capital markets and to businesses, we monitor and work with the management teams and stakeholders of our portfolio companies to navigate any significant market, operational, and economic challenges created by these events. This includes remaining proactive in our assessments of credit performance to manage potential risks across our investment portfolio.

Performing and Non-accrual Investments

The following table shows the amortized cost of our performing and non-accrual investments as of December 31, 2024 and December 31, 2023:

(in millions)	As of December 31,			
	2024		2023	
	Amortized Cost	Percentage of Total Portfolio at Amortized Cost	Amortized Cost	Percentage of Total Portfolio at Amortized Cost
Performing	\$ 3,648	98.3 %	\$ 3,216	99.0 %
Non-accrual	61	1.7 %	31	1.0 %
Total Investments	\$ 3,709	100.0 %	\$ 3,247	100.0 %

Debt investments are placed on non-accrual status when it is probable that principal, interest or fees will not be collected according to contractual terms. When a debt investment is placed on non-accrual status, we cease to recognize interest and fee income until the portfolio company has paid all principal and interest due or demonstrated the ability to repay our current and future contractual obligations. We may choose not to apply the non-accrual status to a loan where the investment has sufficient collateral value to collect all of the contractual amount due and is in the process of collection. Interest collected on non-accrual investments are generally applied to principal.

Results of Operations

Our condensed consolidated operating results for the years ended December 31, 2024 and 2023, were as follows:

(in thousands, except per share data)	Year Ended December 31,	
	2024	2023
Total investment income	\$ 493,591	\$ 460,668
Total expenses	167,759	156,631
Net investment income	325,832	304,037
Net realized gain (loss):	(31,657)	8,437
Net change in unrealized appreciation (depreciation):	(31,209)	25,010
Net increase (decrease) in net assets resulting from operations	\$ 262,966	\$ 337,484
Net investment income before gains and losses per common share:		
Basic	\$ 2.00	\$ 2.09
Change in net assets resulting from operations per common share:		
Basic	\$ 1.61	\$ 2.32
Diluted	\$ 1.61	\$ 2.31

Our operating results can vary substantially from period to period due to various factors, including changes in the level of investments held, changes in our investment yields, recognition of realized gains and losses, and changes in net unrealized appreciation and depreciation, among other factors. As a result, comparison of the net increase (decrease) in net assets resulting from operations may not be meaningful.

Investment Income

Total investment income for the year ended December 31, 2024 was approximately \$493.6 million as compared to approximately \$460.7 million for the year ended December 31, 2023. Investment income is primarily composed of interest income earned on our debt investments, fee income from commitments, facilities, and other loan related fees and dividend income.

Interest and Dividend Income

The following table summarizes the components of interest and dividend income for the years ended December 31, 2024 and 2023:

(in thousands)	Year Ended December 31,	
	2024	2023
Contractual interest income	\$ 355,470	\$ 351,883
Exit fee interest income	44,448	45,747
PIK interest income	51,270	24,670
Dividend income	7,900	1,400
Other investment income ⁽¹⁾	8,107	10,725
Total interest and dividend income	\$ 467,195	\$ 434,425

(1) Other investment income includes OID interest income and interest recorded on other assets.

Interest and dividend income for the year ended December 31, 2024 totaled approximately \$467.2 million as compared to approximately \$434.4 million for the year ended December 31, 2023. The increase in interest and dividend income for the year ended December 31, 2024 as compared to the year ended December 31, 2023 is primarily attributable to an increase in the weighted average principal outstanding and dividend income distributions primarily from the Adviser Subsidiary. Partially offsetting income growth was the impact of declining Core Yield due to declining benchmark rates in 2024.

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Interest income is comprised of recurring interest income from the contractual servicing of loans and non-recurring interest income that is related to the acceleration of income due to early loan repayments and other one-time events during the period.

The following table summarizes recurring and non-recurring interest income and dividend income for the years ended December 31, 2024 and December 31, 2023:

(in thousands)	Year Ended December 31,	
	2024	2023
Recurring interest income	\$ 441,361	\$ 410,414
Non-recurring interest income	17,934	22,611
Dividend income	7,900	1,400
Total interest and dividend income	\$ 467,195	\$ 434,425

A portion of interest income is earned in the form of PIK interest. The following table shows the PIK-related activity for the years ended December 31, 2024 and 2023, at cost:

(in thousands)	Year Ended December 31,	
	2024	2023
Beginning PIK interest receivable balance	\$ 38,030	\$ 25,713
PIK interest income during the period	51,270	24,670
PIK capitalized as principal or converted to equity or other assets	(1,095)	(3,317)
Payments received from PIK loans	(18,346)	(9,036)
Realized loss	(2,203)	—
Ending PIK interest receivable balance	\$ 67,656	\$ 38,030

The increase in PIK interest income during the year ended December 31, 2024, as compared to the year ended December 31, 2023 is due to an increase in the weighted average principal outstanding for debt investments which earn PIK interest. Payments on PIK loans are normally received only in the event of payoffs. The PIK receivable for December 31, 2024 and December 31, 2023 was approximately 2% and 1% of total debt investments, respectively.

Fee Income

Fee income is comprised of recurring fee income from commitment, facility, and loan related fees, fee income due to expired commitments, and acceleration of fee income due to early loan repayments during the period. The following table summarizes the components of fee income for the years ended December 31, 2024 and December 31, 2023:

(in thousands)	Year Ended December 31,	
	2024	2023
Recurring fee income	\$ 9,507	\$ 8,835
Fee income - expired commitments	2,442	1,695
Accelerated fee income - early repayments	14,447	15,713
Total fee income	\$ 26,396	\$ 26,243

The fee income for the year ended December 31, 2024 was similar to the year ended December 31, 2023. This is primarily due to higher weighted average principal outstanding and fee income from expired commitments, partially offset by lower acceleration of fee income from early repayments.

Operating Expenses

Our operating expenses are comprised of interest and fees on our debt borrowings, general and administrative expenses, taxes, and employee compensation and benefits. During the years ended December 31, 2024 and 2023, our net operating expenses totaled approximately \$167.8 million and \$156.6 million, respectively.

Interest and Fees on our Debt

Interest and fees on our debt totaled approximately \$86.0 million and \$77.5 million for the years ended December 31, 2024 and 2023, respectively. Interest and fee expense during the year ended December 31, 2024, as compared to the year ended December 31, 2023, increased due to higher weighted average borrowing costs and debt outstanding.

Our weighted average cost of debt was approximately 5.0% and 4.8% for the years ended December 31, 2024 and 2023, respectively. The weighted average cost of debt includes interest and fees on our debt, but excludes the impact of fee accelerations due to the extinguishment of debt, as applicable. The increase in the weighted average cost of debt during

2024 as compared to 2023, was attributable to increased usage of our Credit Facilities which are floating rate instruments and have higher borrowing rates.

General and Administrative Expenses and Tax Expenses

General and administrative expenses include legal fees, consulting fees, accounting fees, printer fees, insurance premiums, rent, expenses associated with the workout of underperforming investments and various other expenses. Our general and administrative expenses increased to \$19.7 million from \$18.7 million for the years ended December 31, 2024 and 2023, respectively. The increase in general and administrative expenses for the year ended December 31, 2024 is primarily attributable to an increase in costs of office and professional fees and expenses. Tax expenses were \$5.8 million and \$6.1 million for the years ended December 31, 2024 and December 31, 2023, respectively. Our tax expenses primarily relate to excise tax accruals.

Employee Compensation

Employee compensation and benefits totaled approximately \$54.2 million for the year ended December 31, 2024, as compared to approximately \$50.2 million for the year ended December 31, 2023. The increase for the year ended December 31, 2024 was primarily due to fluctuations in variable compensation and increase in headcount.

Employee stock-based compensation totaled approximately \$12.8 million for the year ended December 31, 2024, as compared to approximately \$13.2 million for the year ended December 31, 2023. The decrease for the year ended December 31, 2024 was primarily attributable to a decrease in compensation expense related to Performance Awards (as defined below) which vested in 2023.

Expenses allocated to the Adviser Subsidiary

The shared services agreement with the Adviser Subsidiary (the "Sharing Agreement"), provides the Adviser Subsidiary access to our human capital resources, including deal professionals, finance, and administrative functions, as well as other resources including infrastructure assets such as office space and technology. Under the terms of the Sharing Agreement, we allocate the related expenses of shared services to the Adviser Subsidiary. Our total net operating expenses for the years ended December 31, 2024 and 2023, are net of expenses allocated to the Adviser Subsidiary of \$10.8 million and \$9.1 million, respectively. The increase in expenses allocated to the Adviser Subsidiary for the year ended December 31, 2024 compared to 2023 is due to higher average assets under management and higher allocations to the Adviser Funds. As of December 31, 2024 and 2023, less than \$0.1 million and \$0.1 million, respectively, was due from the Adviser Subsidiary.

Net Realized Gains and Losses and Net Change in Unrealized Appreciation and Depreciation

Realized gains or losses on investments are measured by the difference between the net proceeds from the repayment or sale and the cost basis of an investment without regard to unrealized appreciation or depreciation previously recognized, and includes investments written off during the period, net of recoveries. Realized loss on debt extinguishment relates to additional fees, costs, and accelerated recognition of remaining debt issuance costs, which are recognized in the event our debt is extinguished before its stated maturity. The net change in unrealized appreciation or depreciation on investments primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

A summary of net realized gains and losses for the years ended December 31, 2024 and 2023 is as follows:

(in thousands)	Year Ended December 31,	
	2024	2023
Realized gains	\$ 39,676	\$ 29,920
Realized losses	(70,175)	(21,493)
Realized foreign exchange gains (losses)	(987)	10
Realized loss on extinguishment of debt	(171)	—
Net realized gains (losses)	\$ (31,657)	\$ 8,437

During the year ended December 31, 2024, we recognized a net realized loss of \$31.7 million. The net realized losses were generated from a realized loss of \$63.1 million from the write-off of our debt investments relating to Convoy, Inc., Gritstone Bio, Inc., Better Therapeutics, Inc., and Eigen Technologies Ltd., which are net of recovered collections of \$55.5 million. \$44.6 million of the write-off of our debt investments resulted in a reversal of unrealized depreciation previously reported as of December 31, 2023. We also realized a loss of \$7.1 million primarily from the write-off of equity and warrant investments in Sio Gene Therapies, Inc., Eigen Technologies Ltd., Humanigen, Inc., Proterra, Inc., and Fulcrum Bioenergy, Inc. The net realized losses were partially offset by gross realized gains of \$39.7 million primarily from the sale

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of our equity and warrant positions in Palantir Technologies, TransMedics Group, Inc., Tarsus Pharmaceuticals, Inc., DoorDash, Inc., and TG Therapeutics, Inc.

During the year ended December 31, 2023, we recognized a net realized gain of \$8.4 million. The net realized gains were generated from gross realized gains of approximately \$29.9 million primarily from the sale of our equity and warrant positions in Palantir Technologies, Provention Bio, Inc., TransMedics Group, Inc., Sprinklr, Inc., DoorDash, Inc., and Zeta Global Corp. Our gross realized gains were offset by gross realized losses of \$21.5 million from the write-off of equity and warrant investments in Concert Pharmaceuticals, Inc. and Fungible, Inc., which had no value after the respective portfolio companies were acquired, as well as the write-off of our equity investments in Gynesonics, Inc. Paratek Pharmaceuticals, Inc., Tricida, Inc., Gelesis, Inc. and Flowonix Medical Inc. as a result of capital market transactions or events. Additionally, we realized a net \$6.3 million loss from the write-off of our debt investments relating to Codiak Biosciences, Inc. and Esme Learning Solutions, Inc., which are net of recovered collections of \$17.5 million.

The net change in unrealized appreciation and depreciation of our investments is derived from the changes in fair value of each investment determined in good faith by our Valuation Committee and approved by the Board. The following table summarizes the change in net unrealized appreciation or depreciation of investments for the years ended December 31, 2024 and 2023:

(in thousands)	Year Ended December 31,	
	2024	2023
Gross unrealized appreciation on portfolio investments	\$ 111,909	\$ 198,322
Gross unrealized depreciation on portfolio investments	(163,789)	(145,232)
Reversal of prior period net changes in unrealized appreciation (depreciation) upon a realization event ⁽²⁾	3,010	(11,929)
Net change in unrealized appreciation (depreciation) on portfolio investments	(48,870)	41,161
Other net changes in unrealized appreciation (depreciation) ⁽¹⁾	17,661	(16,151)
Total net change in unrealized appreciation (depreciation) on investments	\$ (31,209)	\$ 25,010

(1) Includes the net change in unrealized appreciation (depreciation) related to derivative instruments and other assets and liabilities

(2) Included in reversals of prior period net changes in unrealized appreciation (depreciation) are \$44.6 million of reversed unrealized depreciation, related to the \$63.1 million of realized debt loss from the write-off of certain debt investments noted above.

During the years ended December 31, 2024 and 2023, we recorded approximately \$31.2 million of net unrealized depreciation and \$25.0 million of net unrealized appreciation on our investments. The decrease in unrealized depreciation was primarily related to depreciation of our equity, warrants, and debt investments during the year ended December 31, 2024.

The following table summarizes the key drivers of change in net unrealized appreciation (depreciation) of investments for the years ended December 31, 2024 and 2023:

(in thousands)	Year Ended December 31,					
	2024			2023		
	Debt	Equity, Warrants and Investment Funds ⁽¹⁾	Total	Debt	Equity, Warrants and Investment Funds ⁽¹⁾	Total
Investment valuation appreciation (depreciation)	\$ (45,718)	\$ (6,162)	\$ (51,880)	\$ 26,689	\$ 26,401	\$ 53,090
Reversal of prior period net changes in unrealized appreciation (depreciation) upon a realization event ⁽²⁾	26,665	(23,655)	3,010	(6,556)	(5,373)	(11,929)
Other net changes in unrealized appreciation (depreciation)	(816)	18,477	17,661	(15,612)	(539)	(16,151)
Net change in unrealized appreciation (depreciation)	\$ (19,869)	\$ (11,340)	\$ (31,209)	\$ 4,521	\$ 20,489	\$ 25,010

(1) Includes the net change in unrealized appreciation (depreciation) related to derivative instruments and other assets and liabilities.

(2) Included in reversals of prior period net changes in unrealized appreciation (depreciation) are \$44.6 million of reversed unrealized depreciation, related to the \$63.1 million of realized debt loss from the write-off of certain debt investments noted above.

Income and Excise Taxes

We account for income taxes in accordance with the provisions of ASC Topic 740, Income Taxes, under which income taxes are provided for amounts currently payable and for amounts deferred based upon the estimated future tax effects of differences between the financial statements and tax basis of assets and liabilities given the provisions of the enacted tax law. Valuation allowances may be used to reduce deferred tax assets to the amount likely to be realized. We intend to timely distribute to our stockholders substantially all of our annual taxable income for each year, except that we

may retain certain net capital gains for reinvestment and, depending upon the level of taxable income earned in a year, we may choose to carry forward taxable income for distribution in the following year and pay any applicable U.S. federal excise tax.

Because federal income tax regulations differ from U.S. GAAP, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their appropriate tax character. Permanent differences may also result from the classification of certain items, such as the treatment of short-term gains as ordinary income for tax purposes. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

The Adviser Subsidiary

The Adviser Subsidiary has entered into investment management agreements (the "IMAs") with the Adviser Funds. Pursuant to the IMAs, the Adviser Subsidiary provides investment advisory and management services to the Adviser Funds in exchange for an asset-based fee. In addition, Hercules Capital Management LLC through its control of the general partner interests of each of the Adviser Funds may receive incentive fees based on the performance of the Adviser Funds. The Adviser Funds are privately offered investment funds exempt from registration under the 1940 Act that invest in debt and equity investments in venture or institutionally backed technology related and life sciences companies.

(in thousands)	As of December 31,		
	2024	2023	Growth %
Assets Under Management *			
by the Company	\$ 3,776,399	\$ 3,364,059	12.3 %
by the Adviser Funds	987,314	808,917	22.1 %
Total	\$ 4,763,713	\$ 4,172,976	14.2 %

* Assets under management includes investments, at fair value, cash and cash equivalents, foreign cash and restricted cash.

The Adviser Subsidiary's contribution to our net investment income is primarily derived from dividend income declared by the Adviser Subsidiary and interest income earned on loans to the Adviser Subsidiary. For the years ended December 31, 2024 and 2023, \$6.8 million and \$1.4 million, respectively of dividends were declared by the Adviser Subsidiary.

For the years ended December 31, 2023 and December 31, 2022

A comparison of the fiscal years ended December 31, 2023 and December 31, 2022 can be found in our [Form 10-K](#) for the fiscal year ended December 31, 2023 within "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.", which is incorporated herein by reference.

Financial Condition, Liquidity, Capital Resources and Obligations

Our liquidity and capital resources are derived from our debt borrowings and cash flows from operations, including investment sales and repayments, and income earned. Our primary use of funds from operations includes investments in portfolio companies and payments of fees and other operating expenses we incur. We have used, and expect to continue to use, our debt and the proceeds from the turnover of our portfolio and from public and private offerings of securities to finance our investment objectives. We may also raise additional equity or debt capital through registered offerings off a shelf registration, At-the-Market ("ATM") offerings, and private offerings of securities, by securitizing a portion of our investments, or by borrowing from the SBA through our SBIC subsidiaries. This "Financial Condition, Liquidity, Capital Resources and Obligations" section should be read in conjunction with the "Macroeconomic Market Developments" section above.

During the year ended December 31, 2024, we principally funded our operations from (i) cash receipts from interest, dividend, and fee income from our investment portfolio, (ii) cash proceeds from the realization of portfolio investments through the repayments of debt investments and the sale of debt and equity investments, (iii) debt borrowings on our Credit Facilities, and (iv) equity offerings.

During the year ended December 31, 2024, our operating activities used \$118.1 million of cash and cash equivalents, compared to \$68.3 million provided by operating activities during the year ended December 31, 2023. The \$186.4 million increase in cash used in operating activities was primarily due to a \$176.2 million increase in net purchases of investments.

During the year ended December 31, 2024, our investing activities used approximately \$705 thousand of cash, compared to \$887 thousand used during the year ended December 31, 2023. The \$182 thousand decrease in cash used in investing activities was due to a decrease in purchases of capital equipment.

During the year ended December 31, 2024, our financing activities provided \$119.2 million of cash, compared to \$22.7 million provided during the year ended December 31, 2023. The \$96.5 million increase in cash flows from financing activities during the year ended December 31, 2024 was primarily due to an increase in net borrowings of \$236.9 million, offset by a \$119.9 million decrease in equity issued and a \$29.8 million increase in dividend distributions. During the year ended December 31, 2024, we distributed dividends of \$303.5 million compared to \$273.7 million during the year ended December 31, 2023. We also reduced the usage of our overnight offering and ATM program, which provided (net of offering costs) approximately \$218.3 million down from \$338.2 million, during the years ended December 31, 2024 and 2023.

As of December 31, 2024, our net assets totaled \$2.0 billion, with a NAV per share of \$11.66. We intend to continue to operate in order to generate cash flows from operations, including income earned from investments in our portfolio companies. Our primary use of funds will be investments in portfolio companies and cash distributions to holders of our common stock.

Available liquidity and capital resources as of December 31, 2024

As of December 31, 2024, we had \$658.8 million in available liquidity, including \$113.1 million in cash, cash equivalents and foreign cash, and available borrowing capacity of approximately \$16.2 million under the SMBC Facility, \$175.0 million under our SMBC letter of credit facility, \$284.0 million under the MUFG Bank Facility, and \$71.0 million of SBA debentures, subject to certain conditions. Additional liquidity is available through accordion provisions within the terms of our Credit Facilities, through which the available borrowing capacity can be increased by an aggregate \$400.0 million, subject to certain conditions. Further, the SMBC letter of credit facility may also be increased by an additional \$225.0 million (up to \$400.0 million), subject to certain conditions. Total amounts outstanding as of December 31, 2024, were \$399.8 million outstanding under our Credit Facilities, which are floating interest rate obligations, and the remaining \$1,383.5 million of term debt outstanding, which are all fixed interest rate debt obligations.

Not considered above, as of December 31, 2024, we held \$3.3 million of cash classified as restricted cash. Our restricted cash relates to amounts that are held as collateral securing certain of our financing transactions, including collections of interest and principal payments on assets that are securitized related to the 2031 Asset-Backed Notes. Based on current characteristics of the securitized debt investment portfolios, the restricted funds may be used to pay monthly interest and principal on the securitized debt with any excess distributed to us or available for our general operations. Refer to "Note 5 – Debt" included in the notes to our consolidated financial statements appearing elsewhere in this report for additional discussion of our debt obligations.

The 1940 Act permits BDCs to incur borrowings, issue debt securities, or issue preferred stock unless immediately after the borrowings or issuance the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock is less than 200% (or 150% if certain requirements are met). On September 4, 2018 and December 6, 2018, our Board, including a "required majority" (as such term is defined in Section 57(o) of the 1940 Act) and our stockholders, respectively, approved the application to us of the 150% minimum asset coverage ratio set forth in Section 61(a)(2) of the 1940 Act. As of December 31, 2024, our asset coverage ratio under our regulatory requirements as a BDC was 231.7% excluding our SBA debentures. We received an exemptive order from the SEC that allows us to exclude all SBA leverage as senior securities from our asset coverage ratio. As a result of the SEC exemptive order, our ratio of total assets on a consolidated basis to outstanding indebtedness may be less than 150%, which while providing increased investment flexibility, also may increase our exposure to risks associated with leverage. Total asset coverage when including our SBA debentures as senior securities was 211.5% as of December 31, 2024.

The 1940 Act prohibits us from selling shares of our common stock at a price below the current NAV per share of such stock, with certain exceptions. One such exception is prior stockholder approval of issuances below NAV provided that our Board makes certain determinations. On August 15, 2024, we obtained authorization from our stockholders to issue common stock at a price below our then-current NAV per share for a twelve-month period expiring on August 15, 2025. For a further discussion, refer to Part I, Item 1A "Risk Factors- Risks Related to our Securities - Stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then-current NAV per share of our common stock or issue securities to subscribe to, convert to or purchase shares of our common stock" appearing elsewhere in this Annual Report.

As detailed above, our diverse and well-structured balance sheet is designed to provide a long-term focused and sustainable investment platform. Currently, we believe we have ample liquidity to support our near-term capital requirements. As the impact of the macro-economic events, potential global recession, acts of terrorism, war, geopolitical events, and the related disruption to markets and business continues to impact the economy, we will continue to evaluate our overall liquidity position and take proactive steps to maintain the appropriate liquidity position based upon the current circumstances.

Equity Offerings

We may from time-to-time issue and sell shares of our common stock through public or ATM offerings. We currently sell shares through our equity distribution agreements (the "2024 Equity Distribution Agreements") with Citizens JMP Securities LLC and Jefferies LLC (the "Sales Agents") entered into on December 12, 2024. The 2024 Equity Distribution Agreements provide that we may offer and sell up to 30.0 million shares of our common stock from time to time through the Sales Agents. Sales of our common stock, if any, may be made in negotiated transactions or transactions that are deemed to be "at the market," as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices. The 2024 Equity Distribution Agreements replaced the ATM equity distribution agreements between us, and the Sales Agents executed on May 5, 2023. Additionally, on August 7, 2023 we sold 6.5 million shares of our common stock through an upsized public offering, pursuant to an underwriting agreement entered with Morgan Stanley & Co. LLC, UBS Securities, and Wells Fargo Securities, LLC as joint book-running managers. We generally use net proceeds from these offerings to make investments, to repurchase or pay down liabilities and for general corporate purposes. As of December 31, 2024, approximately 30.0 million shares remain available for issuance and sale under the 2024 Equity Distribution Agreements.

During the year ended December 31, 2024, we issued and sold 11.7 million shares of our common stock receiving total accumulated net proceeds of approximately \$218.3 million. This is a decrease from the year ended December 31, 2023, where we issued and sold 22.7 million shares of our common stock receiving total accumulated net proceeds of approximately \$338.2 million.

Stock Repurchase

We may from time to time seek to retire or repurchase our common stock through cash purchases, as well as retire, cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. The amounts involved may be material. We had no common stock repurchases during the years ended December 31, 2024, 2023, or 2022.

Commitments and Obligations

Our significant cash requirements generally relate to our debt obligations. As of December 31, 2024, we had \$1,783.3 million of debt outstanding, \$170.0 million due within the next year, \$891.0 million due within 1 to 3 years, and \$722.3 million due beyond 3 years.

In addition to our debt obligations, in the normal course of business, we are party to financial instruments with off-balance sheet risk. These consist primarily of unfunded contractual commitments to extend credit, in the form of loans, to our portfolio companies. Unfunded contractual commitments to provide funds to portfolio companies are not reflected on our balance sheet.

Our unfunded contractual commitments may be significant from time to time. A portion of these unfunded contractual commitments are dependent upon the portfolio company reaching certain milestones before the debt commitment becomes available. Furthermore, our credit agreements contain customary lending provisions which allow us relief from funding obligations for previously made unfunded commitments in instances where the underlying company experiences materially adverse events that affect the financial condition or business outlook for the company. These commitments will be subject to the same underwriting and ongoing portfolio maintenance as are the on-balance sheet financial instruments that we hold. Since these commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. As such, our disclosure of unfunded contractual commitments includes only those which are available at the request of the portfolio company and unencumbered by milestones. Refer to "Note 11 – Commitments and Contingencies" included in the notes to our consolidated financial statements appearing elsewhere in this report for additional discussion of our unfunded commitments.

As of December 31, 2024, we had approximately \$448.5 million of available unfunded commitments, including undrawn revolving facilities, which were available at the request of the portfolio company and unencumbered by future or unachieved milestones, as well as uncalled capital commitments to make investments in private equity funds. In order to draw a portion of the Company's available unfunded commitments, a portfolio company must submit to the Company a formal funding request that complies with the applicable advance notice and other operational requirements. The available unfunded commitments excludes unfunded commitments (i) for which, with respect to a portfolio company's agreement, a milestone was achieved after the last day on which the portfolio company could have requested a drawdown funding to be completed within the reporting period; and (ii) \$139.7 million of unfunded commitments which represent the portion of portfolio company commitments assigned to or directly committed by the Adviser Funds.

Additionally, we had approximately \$297.6 million of non-binding term sheets outstanding to five new companies, which generally convert to contractual commitments within approximately 90 days of signing. Non-binding outstanding term sheets are subject to completion of our due diligence and final investment committee approval process, as well as the negotiation of definitive documentation with the prospective portfolio companies. Not all non-binding term sheets are expected to close and do not necessarily represent future cash requirements.

The fair value of our unfunded commitments is considered to be immaterial as the yield determined at the time of underwriting is expected to be materially consistent with the yield upon funding, given that interest rates are generally pegged to market indices and given the existence of milestones, conditions and/or obligations embedded in the borrowing agreements.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and revenues and expenses during the period reported. On an ongoing basis, our management evaluates its estimates and assumptions, which are based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in our estimates and assumptions could materially impact our results of operations and financial condition.

For a description of our critical accounting policies, refer to "Note 2 – Summary of Significant Accounting Policies" included in the notes to our consolidated financial statements appearing elsewhere in this Annual Report. We consider the most significant accounting policies to be those related to our Valuation of Investments, Fair Valuation Measurements, Income Recognition, and Income Taxes. The Valuation of Investments is our most significant critical estimate. The most significant input to this estimate is the yield interest rate, which includes the hypothetical market yield plus premium or discount adjustment, used in determining the fair value of our debt investments. The following table shows the approximate increase (decrease) to the fair value of our debt investments from hypothetical change to the yield interest rates used for each valuation, assuming no other changes:

(in thousands)	Change in unrealized appreciation (depreciation)	
Basis Point Change		
(100)	\$	51,209
(50)	\$	27,134
50	\$	(29,148)
100	\$	(58,584)

For a further discussion and disclosure of key inputs and considerations related to this estimate, refer to "Note 3 -Fair Value of Financial Instruments" included in the notes to our consolidated financial statements appearing elsewhere in this report.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

We are subject to financial market risks, including changes in interest rates. Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in interest rates may affect both our cost of funding and our interest income from portfolio investments, cash and cash equivalents and idle fund investments. Our investment income will be affected by changes in various interest rates, including Prime, SOFR, and SONIA rates, to the extent our debt investments include variable interest rates. As of December 31, 2024, approximately 97.4% of the loans in our portfolio had variable rates based on floating Prime, SOFR, or SONIA rates with a floor. The majority of our loans are linked to the Prime rate and comprise 77.5% of the loan portfolio as of December 31, 2024. Our debt borrowings under the Credit Facilities bear interest at a floating rate, all other outstanding debt borrowings bear interest at a fixed rate. Changes in interest rates can also affect, among other things, our ability to acquire and originate loans and securities and the value of our investment portfolio.

Based on our Consolidated Statements of Assets and Liabilities as of December 31, 2024, the following table shows the approximate annualized increase (decrease) in components of net assets resulting from operations of hypothetical base rate changes in interest rates, assuming no changes in our investments and debt.

(in thousands)	Interest Income	Interest Expense	Net Income	EPS
Basis Point Change				
(200)	\$(27,762)	\$(8,367)	\$(19,395)	\$(0.12)
(100)	\$(16,172)	\$(4,184)	\$(11,988)	\$(0.07)
(75)	\$(12,469)	\$(3,138)	\$(9,331)	\$(0.06)
(50)	\$(8,645)	\$(2,092)	\$(6,553)	\$(0.04)
(25)	\$(4,284)	\$(1,046)	\$(3,238)	\$(0.02)
25	\$4,582	\$1,046	\$3,536	\$0.02
50	\$9,623	\$2,092	\$7,531	\$0.05
75	\$15,461	\$3,138	\$12,323	\$0.07

From time-to-time, we may hedge against interest rate fluctuations and foreign currency by using standard hedging instruments such as futures, options, and forward contracts. While hedging activities may insulate us against changes in interest rates and foreign currency, they may also limit our ability to participate in the benefits of lower interest rates with respect to our borrowed funds and higher interest rates with respect to our portfolio of investments. During the year ended December 31, 2024, we have entered into a foreign currency forward contract to limit our foreign currency exposure with respect to the British Pound. For additional information refer to "Note 4 – Investments", included in the notes to our consolidated financial statements appearing elsewhere in this Annual Report.

Although we believe that the foregoing analysis is indicative of our sensitivity to interest rate changes, it does not adjust for potential changes in the credit market, credit quality, size and composition of the assets in our portfolio. It also does not adjust for other business developments, including our debt borrowings and use of our Credit Facilities that could affect the net increase in net assets resulting from operations, or net income. It also does not assume any repayments from our portfolio companies. Accordingly, no assurances can be given that actual results would not differ materially from the statement above.

Because we currently borrow, and plan to borrow in the future, money to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by variable rate assets in our investment portfolio. For additional information regarding the interest rate associated with each of our debt borrowings, refer to "Note 5 – Debt" included in the notes to our consolidated financial statements in this Annual Report.

Item 8. *Financial Statements and Supplementary Data*

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Hercules Capital, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of assets and liabilities, including the consolidated schedules of investments, of Hercules Capital, Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in net assets and cash flows for each of the three years in the period ended December 31, 2024, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations, changes in its net assets and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

We have also previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of assets and liabilities, including the consolidated schedules of investments, of the Company as of December 31, 2022, 2021 and 2020, and the related consolidated statements of operations, changes in net assets and cash flows for the years ended December 31, 2021 and 2020 (none of which are presented herein), and we expressed unqualified opinions on those consolidated financial statements. In our opinion, the information set forth in the Senior Securities table of the Company for each of the five years in the period ended December 31, 2024 is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of securities owned as of December 31, 2024 and 2023 by correspondence with the custodians, agent banks and portfolio company investees; when replies were not received, we performed other auditing procedures. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and

procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Investments - Level 3 Investments in Senior Secured Debt, Unsecured Debt, Preferred Stock, Common Stock

As described in Notes 2 and 3 to the consolidated financial statements, approximately 99% of the Company's \$3,660 million total investments in securities as of December 31, 2024 represents investments in level 3 senior secured debt, unsecured debt, preferred stock, and common stock whose fair value, as disclosed by management, is determined in good faith by the Board of Directors. Management applied significant judgment in determining the fair value of these level 3 investments, which involved the use of significant unobservable inputs related to i) hypothetical market yields, premiums/(discounts) and the probability weighting of alternative outcomes for debt securities; and ii) tangible book value multiple and cash flow discount rate for equity securities.

The principal considerations for our determination that performing procedures relating to the valuation of level 3 investments in senior secured debt, unsecured debt, preferred stock and common stock, is a critical audit matter are (i) the significant judgment by management when developing the fair value of these level 3 investments; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the audit evidence related to the hypothetical market yields, premiums/(discounts), the probability weighting of alternative outcomes, tangible book value multiple and cash flow discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of level 3 investments in senior secured debt, unsecured debt, preferred stock, and common stock, including controls over the Company's methods and significant unobservable inputs. These procedures also included, among others, (i) testing the completeness and accuracy of data provided by management, evaluating the appropriateness of management's methods, and evaluating the reasonableness of significant unobservable inputs used in those methods related to the hypothetical market yields, premiums/(discounts), and the probability weighting of alternative outcomes for debt securities; and tangible book value multiple and cash flow discount rate for equity securities, and (ii) the involvement of professionals with specialized skill and knowledge to assist in developing an independent fair value range for a sample of securities and comparison of management's estimate to the independently developed fair value range. Developing the independent fair value range. Developing independent significant unobservable inputs in order to evaluate the reasonableness of management's fair value estimate of these certain level 3 investments.

/s/ PricewaterhouseCoopers LLP
San Francisco, California
February 13, 2025

We have served as the Company's auditor since 2010.

HERCULES CAPITAL, INC.
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

(in thousands, except per share data)

	December 31, 2024	December 31, 2023
Assets		
Investments, at fair value:		
Non-control/Non-affiliate investments (cost of \$ 3,603,961 and \$ 3,143,851 , respectively)	\$ 3,546,799	\$ 3,133,042
Control investments (cost of \$ 104,916 and \$ 103,182 , respectively)	113,179	115,004
Total investments, at fair value (cost of \$ 3,708,877 and \$ 3,247,033 , respectively; fair value amounts related to a VIE \$ 229,486 and \$ 254,868 , respectively)	3,659,978	3,248,046
Cash and cash equivalents	42,679	98,095
Foreign cash (cost of \$ 70,445 and \$ 842 , respectively)	70,445	804
Restricted cash (amounts related to a VIE \$ 3,297 and \$ 17,114 , respectively)	3,297	17,114
Interest receivable	32,578	32,741
Right of use asset	16,778	4,787
Other assets	5,836	15,339
Total assets	\$ 3,831,591	\$ 3,416,926
Liabilities		
Debt (net of unamortized debt issuance costs of \$ 14,310 and \$ 15,131 , respectively; amounts related to a VIE \$ 118,769 and \$ 148,544 , respectively)	\$ 1,768,955	\$ 1,554,869
Accounts payable and accrued liabilities	54,961	54,156
Operating lease liability	18,194	5,195
Total liabilities	\$ 1,842,010	\$ 1,614,220
Commitments and contingencies (Note 11)		
Net assets consist of:		
Common stock, par value	\$ 171	\$ 158
Capital in excess of par value	1,900,490	1,662,535
Total distributable earnings	88,920	140,013
Total net assets	\$ 1,989,581	\$ 1,802,706
Total liabilities and net assets	\$ 3,831,591	\$ 3,416,926
Shares of common stock outstanding (\$ 0.001 par value and 300,000 and 200,000 authorized respectively)	170,575	157,758
Net asset value per share	\$ 11.66	\$ 11.43

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	For the Year Ended December 31,		
	2024	2023	2022
Investment income:			
Interest and dividend income:			
Excluding payment-in-kind (PIK) interest income			
Non-control/Non-affiliate investments	\$ 404,091	\$ 405,113	\$ 282,174
Control investments	11,834	4,642	4,621
Affiliate investments	—	—	8
Total interest and dividend income, excluding PIK interest income	415,925	409,755	286,803
PIK interest income			
Non-control/Non-affiliate investments	49,701	24,670	19,259
Control investments	1,569	—	—
Affiliate investments	—	—	1,196
Total PIK interest income	51,270	24,670	20,455
Total interest and dividend income	467,195	434,425	307,258
Fee income:			
Non-control/Non-affiliate investments	26,250	26,148	14,362
Control investments	146	95	68
Total fee income	26,396	26,243	14,430
Total investment income	493,591	460,668	321,688
Operating expenses:			
Interest	77,151	67,620	54,749
Loan fees	8,807	9,845	7,598
General and administrative	19,672	18,696	16,948
Tax expenses	5,835	6,071	5,416
Employee compensation:			
Compensation and benefits	54,233	50,258	43,852
Stock-based compensation	12,841	13,242	13,378
Total employee compensation	67,074	63,500	57,230
Total gross operating expenses	178,539	165,732	141,941
Expenses allocated to the Adviser Subsidiary	(10,780)	(9,101)	(8,321)
Total net operating expenses	167,759	156,631	133,620
Net investment income	325,832	304,037	188,068
Net realized gain (loss) and net change in unrealized appreciation (depreciation):			
Net realized gain (loss):			
Non-control/Non-affiliate investments	(31,486)	8,437	1,004
Affiliate investments	—	—	1,758
Loss on extinguishment of debt	(171)	—	(3,686)
Total net realized gain (loss)	(31,657)	8,437	(924)
Net change in unrealized appreciation (depreciation):			
Non-control/Non-affiliate investments	(27,650)	2,376	(88,874)
Control investments	(3,559)	22,634	(278)
Affiliate investments	—	—	4,089
Total net change in unrealized appreciation (depreciation)	(31,209)	25,010	(85,063)
Total net realized gain (loss) and net change in unrealized appreciation (depreciation)	(62,866)	33,447	(85,987)
Net increase (decrease) in net assets resulting from operations	\$ 262,966	\$ 337,484	\$ 102,081
Net investment income before gains and losses per common share:			
Basic	\$ 2.00	\$ 2.09	\$ 1.48
Change in net assets resulting from operations per common share:			
Basic	\$ 1.61	\$ 2.32	\$ 0.80
Diluted	\$ 1.61	\$ 2.31	\$ 0.79

Weighted average shares outstanding:

Basic		161,082	144,091	125,189
Diluted		161,599	144,826	126,659
Distributions paid per common share:				
Basic	\$ 1.92	\$ 1.90	\$ 1.90	\$ 1.97

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(amounts in thousands)

	Common Stock		Capital in excess of par value	Distributable Earnings	Net Assets
	Shares	Par Value			
Balance as of December 31, 2021	116,619	\$ 117	\$ 1,091,907	\$ 216,523	\$ 1,308,547
Net increase in net assets resulting from operations	—	—	—	102,081	102,081
Public offering, net of offering expenses	14,559	15	229,644	—	229,659
Issuance of common stock under equity-based award plans	922	1	1,483	—	1,484
Shares retired on vesting of equity-based awards	(295)	—	(6,016)	—	(6,016)
Issuance of Convertible Notes	981	1	(1)	—	—
Distributions reinvested in common stock	259	—	3,953	—	3,953
Distributions	—	—	—	(249,077)	(249,077)
Stock-based compensation ⁽¹⁾	—	—	10,828	—	10,828
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	9,618	(9,618)	—
Balance as of December 31, 2022	133,045	\$ 134	\$ 1,341,416	\$ 59,909	\$ 1,401,459
Net increase in net assets resulting from operations	—	—	—	337,484	337,484
Public offering, net of offering expenses	22,728	22	338,193	—	338,215
Issuance of common stock under equity-based award plans	1,932	2	493	—	495
Shares retired on vesting of equity-based awards	(251)	—	(13,197)	—	(13,197)
Distributions reinvested in common stock	304	—	4,624	—	4,624
Distributions	—	—	—	(278,301)	(278,301)
Stock-based compensation ⁽¹⁾	—	—	11,927	—	11,927
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(20,921)	20,921	—
Balance as of December 31, 2023	157,758	\$ 158	\$ 1,662,535	\$ 140,013	\$ 1,802,706
Net increase in net assets resulting from operations	—	—	—	262,966	262,966
Public offering, net of offering expenses	11,725	12	218,317	—	218,329
Issuance of common stock under equity-based award plans	1,040	1	3,067	—	3,068
Shares retired on vesting of equity-based awards	(419)	—	(6,498)	—	(6,498)
Distributions reinvested in common stock	471	—	8,769	—	8,769
Distributions	—	—	—	(312,244)	(312,244)
Stock-based compensation ⁽¹⁾	—	—	12,485	—	12,485
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	1,815	(1,815)	—
Balance as of December 31, 2024	170,575	\$ 171	\$ 1,900,490	\$ 88,920	\$ 1,989,581

(1) Stock-based compensation includes \$ 143 thousand, \$ 117 thousand, and \$ 149 thousand of restricted stock and option expense related to director compensation for the years ended December 31, 2024, 2023 and 2022, respectively.

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	For the Year Ended December 31,		
	2024	2023	2022
Cash flows provided by (used in) operating activities:			
Net increase in net assets resulting from operations	\$ 262,966	\$ 337,484	\$ 102,081
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:			
Purchases of investments ⁽¹⁾	(1,542,447)	(1,598,584)	(1,465,035)
Fundings assigned to Adviser Funds ⁽¹⁾	118,379	350,686	330,164
Principal and fee repayments received and proceeds from the sale of debt investments	955,682	1,002,433	530,441
Proceeds from the sale of equity and warrant investments	49,438	43,202	15,201
Net change in unrealized (appreciation) depreciation	31,209	(25,010)	85,063
Net realized (gain) loss	31,486	(8,437)	(2,762)
Payments for derivative instruments	(849)	—	—
Accretion of paid-in-kind interest	(51,270)	(24,670)	(20,455)
Accretion of loan discounts	(4,636)	(6,939)	(4,697)
Accretion of loan discount on convertible notes	—	—	112
Loss on extinguishment of debt	171	—	364
Accretion of loan exit fees	(26,655)	(24,961)	(24,532)
Change in loan income, net of collections	23,509	23,796	26,687
Unearned fees related to unfunded commitments	(400)	(2,650)	2,201
Amortization of debt fees and issuance costs	6,956	6,980	5,562
Depreciation and amortization	466	190	204
Stock-based compensation and amortization of restricted stock grants ⁽²⁾	12,485	11,927	10,828
Change in operating assets and liabilities:			
Interest receivable	62	(1,050)	(14,212)
Other assets	1,672	(22,466)	406
Accrued liabilities	13,688	6,347	(2,420)
Net cash provided by (used in) operating activities	(118,088)	68,278	(424,799)
Cash flows provided by (used in) investing activities:			
Purchases of capital equipment	(705)	(887)	(114)
Net cash (used in) investing activities	(705)	(887)	(114)
Cash flows provided by (used in) financing activities:			
Issuance of common stock	220,875	344,347	232,090
Offering expenses	(2,546)	(6,132)	(2,431)
Retirement of employee shares, net	(3,430)	(12,702)	(4,532)
Distributions paid	(303,475)	(273,677)	(245,124)
Issuance of debt	1,332,154	659,000	1,274,237
Repayment of debt	(1,118,525)	(683,000)	(931,198)
Debt issuance costs	(4,282)	—	(6,742)
Fees paid for credit facilities	(1,570)	(5,090)	(1,776)
Net cash provided by (used in) financing activities	119,201	22,746	314,524
Net increase (decrease) in cash, cash equivalents, foreign cash and restricted cash	408	90,137	(110,389)
Cash, cash equivalents, foreign cash and restricted cash at beginning of period	116,013	25,876	136,265
Cash, cash equivalents, foreign cash and restricted cash at end of period	\$ 116,421	\$ 116,013	\$ 25,876
Supplemental disclosures of cash flow information and non-cash investing and financing activities:			
Interest paid	\$ 77,850	\$ 67,149	\$ 52,075
Income tax, including excise tax, paid	\$ 5,253	\$ 5,267	\$ 7,376
Distributions reinvested	\$ 8,769	\$ 4,624	\$ 3,953

(1) Excluded from the amounts presented are certain investment funding allocations of \$ 264.8 million, which were directly funded by the Adviser Funds during the year ended December 31, 2024. Refer to Note 13 – Related Party Transaction for additional information.

(2) Stock-based compensation includes \$ 143 thousand, \$ 117 thousand, and \$ 149 thousand of restricted stock and option expense related to director compensation for the years ended December 31, 2024, 2023, and 2022, respectively.

The following table presents a reconciliation of cash, cash equivalents, foreign cash and restricted cash reported within the Consolidated Statements of Assets and Liabilities that sum to the total of the same such amounts in the Consolidated Statements of Cash Flows:

(in thousands)

For the Year Ended December 31,

	2024	2023	2022
Cash and cash equivalents	\$ 42,679	\$ 98,095	\$ 14,619
Foreign cash	70,445	804	1,178
Restricted cash	3,297	17,114	10,079
Total cash, cash equivalents, foreign cash and restricted cash presented in the Consolidated Statements of Cash Flows	\$ 116,421	\$ 116,013	\$ 25,876

See notes to consolidated financial statements.

See "Note 2 – Summary of Significant Accounting Policies" for a description of cash, cash equivalents, foreign cash and restricted cash.

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HERCULES CAPITAL, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2024
(dollars in thousands)

Portfolio Company	Type of Investment	Maturity Date	Interest Rate and Floor ⁽¹⁾	Principal Amount	Cost ⁽²⁾	Value	Footnotes
Debt Investments							
Biotechnology Tools							
PathAI, Inc.	Senior Secured	January 2027	Prime + 2.15 %, Floor rate 9.15 %, 7.85 % Exit Fee	\$ 32,000	\$ 32,801	\$ 33,788	(12)(13)
Subtotal: Biotechnology Tools (1.70 %)*					32,801	33,788	
Communications & Networking							
Aryaka Networks, Inc.	Senior Secured	December 2028	Prime + 1.80 %, Floor rate 9.30 %, PIK Interest 1.25 %, 6.73 % Exit Fee	\$ 27,926	27,693	27,491	(17)(19)
Subtotal: Communications & Networking (1.38 %)*					27,693	27,491	
Consumer & Business Services							
Altumint, Inc.	Senior Secured	December 2027	Prime + 3.65 %, Floor rate 12.15 %, 2.50 % Exit Fee	\$ 10,000	9,916	10,140	(15)
Carwow LTD	Senior Secured	December 2027	Prime + 4.70 %, Floor rate 11.45 %, PIK Interest 1.45 %, 4.95 % Exit Fee	\$ 20,361	27,818	25,264	(5)(10)(14)
GoEuro Travel GmbH	Senior Secured	November 2029	Prime + 3.45 %, Floor rate 10.45 %, 4.50 % Exit Fee	\$ 48,750	48,276	48,276	(5)(10)(17)
Houzz, Inc.	Convertible Debt	May 2028	PIK Interest 11.50 %	\$ 25,687	25,687	26,869	(9)(14)
Jobandtalent USA, Inc.	Senior Secured	August 2025	1-month SOFR + 8.86 % Floor rate 9.75 %, 2.89 % Exit Fee	\$ 13,011	13,276	12,994	(5)(10)
Plentific Ltd	Senior Secured	October 2026	Prime + 2.55 %, Floor rate 11.05 %, 2.95 % Exit Fee	\$ 3,325	3,282	3,340	(5)(10)(13)
Provi	Senior Secured	December 2026	Prime + 4.40 %, Floor rate 10.65 %, 2.95 % Exit Fee	\$ 15,000	15,093	15,176	(15)
Riviera Partners LLC	Senior Secured	April 2027	3-month SOFR + 8.27 %, Floor rate 9.27 %	\$ 36,493	36,104	35,017	(18)
RVShare, LLC	Senior Secured	December 2026	3-month SOFR + 5.50 %, Floor rate 6.50 %, PIK Interest 4.00 %	\$ 30,073	29,798	29,678	(13)(14)(15)
SeatGeek, Inc.	Senior Secured	May 2026	Prime + 7.00 %, Floor rate 10.50 %, PIK Interest 0.50 %, 4.00 % Exit Fee	\$ 25,327	25,413	25,821	(11)(14)(16)
	Senior Secured	July 2026	Prime + 2.50 %, Floor rate 10.75 %, PIK Interest 0.50 %, 3.00 % Exit Fee	\$ 78,038	77,438	79,691	(12)(14)(16)
Total SeatGeek, Inc.				\$ 103,365	102,851	105,512	
Skyword, Inc.	Senior Secured	November 2027	Prime + 2.75 %, Floor rate 9.25 %, PIK Interest 1.75 %, 3.00 % Exit Fee	\$ 6,587	6,715	6,637	(13)(14)
Tectura Corporation	Senior Secured	January 2027	FIXED 8.25 %	\$ 8,250	8,250	8,027	(7)
Thumbtack, Inc.	Senior Secured	March 2028	Prime + 2.45 %, Floor rate 10.95 %, PIK Interest 1.50 %	\$ 20,918	20,561	21,192	(11)(14)(17)
Veem, Inc.	Senior Secured	March 2027	Prime + 4.00 %, Floor rate 12.00 %, PIK Interest 1.25 %, 4.50 % Exit Fee	\$ 5,172	5,350	5,322	(13)(14)
	Senior Secured	March 2027	Prime + 4.70 %, Floor rate 12.70 %, PIK Interest 1.50 %, 4.50 % Exit Fee	\$ 5,188	5,370	5,342	(12)(14)
Total Veem, Inc.				\$ 10,360	10,720	10,664	
Subtotal: Consumer & Business Services (18.03 %)*					358,347	358,786	
Diversified Financial Services							
Gibraltar Acquisition, LLC	Unsecured	September 2026	FIXED 3.45 %, PIK Interest 8.05 %	\$ 26,569	26,337	26,337	(7)(14)(20)
	Unsecured	September 2026	FIXED 11.95 %	\$ 10,000	9,875	9,875	(7)(20)
Total Gibraltar Acquisition, LLC				\$ 36,569	36,212	36,212	
Hercules Adviser LLC	Unsecured	June 2025	FIXED 5.00 %	\$ 12,000	12,000	12,000	(7)(23)
Next Insurance, Inc.	Senior Secured	February 2028	Prime - 1.50 %, Floor rate 4.75 %, PIK Interest 5.50 %	\$ 11,070	10,918	11,174	(13)(14)(19)
Subtotal: Diversified Financial Services (2.98 %)*					59,130	59,386	
Drug Discovery & Development							
Adaptimmune Therapeutics plc	Senior Secured	June 2029	Prime + 1.15 %, Floor rate 9.65 %, PIK Interest 2.00 %, 5.85 % Exit Fee	\$ 30,260	30,121	31,198	(5)(10)(11)(14)
Akero Therapeutics, Inc.	Senior Secured	March 2027	Prime + 3.65 %, Floor rate 7.65 %, 5.85 % Exit Fee	\$ 17,500	17,706	18,005	(10)(13)(17)
Aldeyra Therapeutics, Inc.	Senior Secured	April 2026	Prime + 3.10 %, Floor rate 11.10 %, 8.90 % Exit Fee	\$ 15,000	15,046	15,153	(11)
Alector, Inc.	Senior Secured	December 2028	Prime + 1.05 %, Floor rate 8.05 %, 4.75 % Exit Fee	\$ 7,000	6,930	6,930	(6)(10)(15)(17)

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2024
(dollars in thousands)

Portfolio Company	Type of Investment	Maturity Date	Interest Rate and Floor ⁽¹⁾	Principal				Footnotes
				Amount	Cost ⁽²⁾	Value		
AmplifyBio, LLC	Senior Secured	January 2027	Prime + 2.50 %, Floor rate 9.50 %, Cap rate 10.75 %, 5.85 % Exit Fee	\$ 24,000	\$ 24,640	\$ 24,940	(15)	
Arcus Biosciences, Inc.	Senior Secured	September 2029	Prime + 1.95 %, Floor rate 10.45 %, 7.75 % Exit Fee	\$ 37,500	37,379	37,379	(6)(10)(15)(17)	
ATAI Life Sciences N.V.	Senior Secured	August 2026	Prime + 4.30 %, Floor rate 9.05 %, 6.95 % Exit Fee	\$ 14,000	14,442	14,385	(5)(10)(17)	
Axsome Therapeutics, Inc.	Senior Secured	January 2028	Prime + 2.20 %, Floor rate 9.95 %, Cap rate 10.70 %, 5.78 % Exit Fee	\$ 143,350	145,451	152,945	(10)(11)(12)(16)	
bluebird bio, Inc.	Senior Secured	April 2029	Prime + 1.45 %, Floor rate 9.95 %, PIK Interest 2.45 %, 6.45 % Exit Fee	\$ 65,655	64,028	55,344	(14)	
Braeburn, Inc.	Senior Secured	October 2028	Prime + 2.45 %, Floor rate 10.95 %, PIK Interest 1.10 %, 5.45 % Exit Fee	\$ 53,192	53,374	55,626	(14)	
COMPASS Pathways plc	Senior Secured	July 2027	Prime + 1.50 %, Floor rate 9.75 %, PIK Interest 1.40 %, 4.75 % Exit Fee	\$ 24,490	24,613	25,608	(5)(10)(11)(14)	
Corium, Inc.	Senior Secured	September 2026	Prime + 5.70 %, Floor rate 8.95 %, 7.75 % Exit Fee	\$ 105,225	109,543	109,178	(13)(16)	
Disc Medicine, Inc.	Senior Secured	December 2029	Prime + 1.75 %, Floor rate 8.25 %, 6.75 % Exit Fee	\$ 22,500	22,363	22,363	(6)(10)(15)(17)	
Eloxox Pharmaceuticals, Inc.	Senior Secured	April 2025	Prime + 6.25 %, Floor rate 9.50 %, 4.00 % Exit Fee	\$ 489	988	988	(15)	
enGene, Inc.	Senior Secured	January 2028	Prime + 0.75 %, Floor rate 9.25 %, Cap rate 9.75 %, PIK Interest 1.15 %, 5.50 % Exit Fee	\$ 15,924	16,015	16,149	(5)(10)(14)	
Heron Therapeutics, Inc.	Senior Secured	February 2026	Prime + 1.70 %, Floor rate 9.95 %, PIK Interest 1.50 %, 3.00 % Exit Fee	\$ 20,404	20,484	21,014	(14)(15)(17)	
Hiberculosis, Inc.	Senior Secured	May 2025	Prime + 5.40 %, Floor rate 8.65 %, 4.95 % Exit Fee	\$ 3,963	4,755	4,749	(13)(15)	
Kura Oncology, Inc.	Senior Secured	November 2027	Prime + 2.40 %, Floor rate 8.65 %, 6.05 % Exit Fee	\$ 5,500	5,622	5,721	(10)(15)	
Madrigal Pharmaceutical, Inc.	Senior Secured	May 2027	Prime + 2.45 %, Floor rate 8.25 %, 5.35 % Exit Fee	\$ 78,200	79,896	82,775	(10)(13)	
NorthSea Therapeutics	Convertible Debt	December 2025	FIXED 6.00 %	\$ 273	273	273	(5)(9)(10)	
Phathom Pharmaceuticals, Inc.	Senior Secured	December 2027	Prime + 1.35 %, Floor rate 9.85 %, Cap rate 10.35 %, PIK Interest 2.15 %, 6.22 % Exit Fee	\$ 169,234	171,805	176,130	(6)(10)(12)(14)(15)(16)(22)	
Replimune Group, Inc.	Senior Secured	October 2027	Prime + 1.75 %, Floor rate 7.25 %, Cap rate 9.00 %, PIK Interest 1.50 %, 4.95 % Exit Fee	\$ 31,889	32,294	33,745	(10)(12)(13)(14)	
SynOx Therapeutics Limited	Senior Secured	May 2027	Prime + 1.40 %, Floor rate 9.90 %, 7.25 % Exit Fee	\$ 4,500	4,471	4,573	(5)(10)(11)	
uniQure B.V.	Senior Secured	January 2027	Prime + 4.70 %, Floor rate 7.95 %, 6.10 % Exit Fee	\$ 35,000	36,102	37,135	(5)(10)(11)(12)	
Viridian Therapeutics, Inc.	Senior Secured	October 2026	Prime + 4.20 %, Floor rate 7.45 %, Cap rate 8.95 %, 6.00 % Exit Fee	\$ 8,000	8,231	8,523	(10)(13)(17)	
X4 Pharmaceuticals, Inc.	Senior Secured	July 2027	Prime + 3.15 %, Floor rate 10.15 %, 3.72 % Exit Fee	\$ 75,000	75,512	75,725	(11)(12)(13)	
Subtotal: Drug Discovery & Development (52.10 %)*					1,022,084	1,036,554		
Electronics & Computer Hardware								
Locus Robotics Corp.	Senior Secured	December 2028	Prime + 3.00 %, Floor rate 9.50 %, 4.00 % Exit Fee	\$ 48,750	48,557	47,986	(6)(15)(17)	
Shield AI, Inc.	Senior Secured	February 2029	Prime + 0.85 %, Floor rate 6.85 %, Cap rate 9.60 %, PIK Interest 2.50 %, 2.50 % Exit Fee	\$ 113,766	112,911	113,701	(12)(14)(16)	
Subtotal: Electronics & Computer Hardware (8.13 %)*					161,468	161,687		
Healthcare Services, Other								
Blue Sprig Pediatrics, Inc.	Senior Secured	November 2026	3-month SOFR + 5.26 %, Floor rate 6.00 %, PIK Interest 4.45 %	\$ 72,220	71,677	70,459	(11)(12)(13)(14)	
Carbon Health Technologies, Inc.	Senior Secured	June 2026	Prime - 1.50 %, Floor rate 7.00 %, PIK Interest 7.00 %, 5.64 % Exit Fee	\$ 41,473	43,348	41,610	(11)(13)(14)	
	Convertible Debt	December 2025	FIXED 12.00 %	\$ 202	202	202	(9)	
Total Carbon Health Technologies, Inc.					\$ 41,675	43,550	41,812	
Curana Health Holdings, LLC	Senior Secured	January 2028	Prime + 1.45 %, Floor rate 9.20 %, 4.95 % Exit Fee	\$ 27,500	27,722	28,207	(13)(17)(19)	
Equality Health, LLC	Senior Secured	February 2026	Prime + 4.25 %, Floor rate 9.50 %, PIK Interest 1.55 %, 1.11 % Exit Fee	\$ 70,678	70,473	70,062	(11)(12)(14)	
Main Street Rural, Inc.	Senior Secured	July 2027	Prime + 1.95 %, Floor rate 9.95 %, 6.85 % Exit Fee	\$ 38,500	39,089	39,582	(13)(15)(17)	
Marathon Health, LLC	Senior Secured	February 2029	Prime - 0.90 %, Floor rate 7.10 %, PIK Interest 4.00 %, 3.00 % Exit Fee	\$ 159,176	158,410	161,882	(14)(16)(17)	

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Portfolio Company	Type of Investment	Maturity Date	Interest Rate and Floor ⁽¹⁾	Principal				Footnotes
				Amount	Cost ⁽²⁾	Value		
	Senior Secured	February 2029	Prime + 3.00 %, Floor rate 11.00 %	\$ 5,000	\$ 5,000	\$ 5,000	(16)(17)	
Total Marathon Health, LLC				\$ 164,176	163,410	166,882		
Modern Life, Inc.	Senior Secured	February 2027	Prime + 2.75 %, Floor rate 8.75 %, 5.00 % Exit Fee	\$ 18,200	18,299	18,340	(13)	
NeueHealth, Inc.	Senior Secured	June 2028	Prime + 1.15 %, Floor rate 9.65 %, PIK Interest 2.50 %, 2.50 % Exit Fee	\$ 25,031	24,236	24,587	(12)(14)	
Recover Together, Inc.	Senior Secured	July 2027	Prime + 1.90 %, Floor rate 10.15 %, 7.50 % Exit Fee	\$ 45,000	45,431	45,741	(13)	
Strive Health Holdings, LLC	Senior Secured	September 2027	Prime + 0.70 %, Floor rate 9.20 %, 5.95 % Exit Fee	\$ 30,000	29,742	30,587	(15)(17)	
Vida Health, Inc.	Senior Secured	October 2026	Prime - 2.75 %, Floor rate 5.75 %, PIK Interest 5.35 %, 4.95 % Exit Fee	\$ 36,761	37,367	36,772	(11)(14)	
WellBe Senior Medical, LLC	Senior Secured	May 2029	Prime + 0.75 %, Floor rate 7.75 %, PIK Interest 2.65 %, 6.75 % Exit Fee	\$ 28,283	28,144	27,551	(14)(15)(17)	
Subtotal: Healthcare Services, Other (30.19 %)*					599,140	600,582		
Information Services								
Saama Technologies, LLC	Senior Secured	July 2027	Prime + 0.70 %, Floor rate 8.95 %, PIK Interest 2.00 %, 2.95 % Exit Fee	\$ 19,779	19,741	20,445	(12)(14)(17)	
Subtotal: Information Services (1.03 %)*					19,741	20,445		
Medical Devices & Equipment								
Orchestra BioMed Holdings, Inc.	Senior Secured	November 2028	Prime + 2.00 %, Floor rate 9.50 %, 6.35 % Exit Fee	\$ 15,000	14,740	14,740	(6)(15)	
Senseonics Holdings, Inc.	Senior Secured	September 2027	Prime + 1.40 %, Floor rate 9.90 %, 6.95 % Exit Fee	\$ 30,625	30,830	31,519	(11)	
Sight Sciences, Inc.	Senior Secured	July 2028	Prime + 2.35 %, Floor rate 10.35 %, 5.95 % Exit Fee	\$ 28,000	27,830	28,127	(6)	
Subtotal: Medical Devices & Equipment (3.74 %)*					73,400	74,386		
Software								
3GTMS, LLC	Senior Secured	February 2025	3-month SOFR + 10.40 %, Floor rate 11.30 %	\$ 13,279	13,268	13,268	(11)(17)(18)	
	Senior Secured	February 2025	3-month SOFR + 7.25 %, Floor rate 8.15 %	\$ 6,194	6,185	6,185	(17)(18)	
Total 3GTMS, LLC				\$ 19,473	19,453	19,453		
Alchemer LLC	Senior Secured	May 2028	3-month SOFR + 8.14 %, Floor rate 9.14 %	\$ 21,251	20,923	21,251	(13)(18)	
Allvue Systems, LLC	Senior Secured	September 2029	3-month SOFR + 6.25 %, Floor rate 7.25 %	\$ 42,564	41,704	41,628	(17)	
AlphaSense, Inc.	Senior Secured	June 2029	3-month SOFR + 6.25 %, Floor rate 8.25 %	\$ 20,000	19,816	19,578	(17)	
Annex Cloud	Senior Secured	February 2027	3-month SOFR + 10.00 %, Floor rate 11.00 %	\$ 11,338	11,205	10,556	(13)(18)	
Armis, Inc.	Senior Secured	March 2028	Prime + 0.00 %, Floor rate 7.50 %, PIK Interest 2.00 %, 2.25 % Exit Fee	\$ 50,733	50,496	51,357	(12)(14)(17)	
	Senior Secured	March 2028	Prime + 1.25 %, Floor rate 7.50 %, PIK Interest 2.00 %, 2.25 % Exit Fee	\$ 25,150	24,968	25,082	(14)(17)	
Total Armis, Inc.				\$ 75,883	75,464	76,439		
Babel Street	Senior Secured	December 2027	3-month SOFR + 8.01 %, Floor rate 9.01 %	\$ 65,336	64,061	65,263	(15)(17)(18)	
Behavox Limited	Senior Secured	September 2027	Prime - 0.55 %, Floor rate 7.45 %, PIK Interest 3.00 %, 4.95 % Exit Fee	\$ 10,550	10,534	10,360	(5)(10)(14)	
Brain Corporation	Senior Secured	September 2028	Prime + 1.35 %, Floor rate 9.85 %, PIK Interest 2.50 %, 3.95 % Exit Fee	\$ 32,009	31,704	31,984	(13)(14)	
Ceros, Inc.	Senior Secured	September 2026	3-month SOFR + 8.99 %, Floor rate 9.89 %	\$ 22,762	22,515	22,183	(17)(18)	
Copper CRM, Inc	Senior Secured	March 2025	Prime + 4.50 %, Floor rate 8.25 %, Cap rate 10.25 %, PIK Interest 1.95 %, 4.50 % Exit Fee	\$ 8,515	8,839	8,839	(11)(14)	
CoreView USA, Inc.	Senior Secured	January 2029	Prime + 2.75 %, Floor rate 9.25 %, 4.95 % Exit Fee	\$ 25,000	24,731	24,731	(6)(17)	
Coronet Cyber Security Ltd.	Senior Secured	October 2028	Prime - 2.95 %, Floor rate 3.55 %, PIK Interest 5.85 %	\$ 8,591	8,446	8,446	(14)(17)	
Cutover, Inc.	Senior Secured	October 2025	Prime + 5.20 %, Floor rate 9.95 %, 4.95 % Exit Fee	\$ 5,500	5,667	5,667	(5)(10)(12)	
	Senior Secured	October 2025	Prime + 5.20 %, Floor rate 9.95 %, 4.95 % Exit Fee	£ 1,250	1,612	1,594	(5)(10)	
Total Cutover, Inc.					7,279	7,261		

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				Amount	Cost ⁽²⁾	Value		
Dashlane, Inc.	Senior Secured	December 2027	Prime + 3.05 %, Floor rate 11.55 %, PIK Interest 1.10 %, 6.28 % Exit Fee	\$ 45,476	\$ 46,450	\$ 47,708		(11)(13)(14)(17)(19)
Dispatch Technologies, Inc.	Senior Secured	April 2028	3-month SOFR + 8.01 %, Floor rate 8.76 %	\$ 8,896	8,758	8,641		(17)(18)
Dragos, Inc.	Senior Secured	July 2027	Prime + 2.00 %, Floor rate 8.75 %, PIK Interest 2.00 %, 2.00 % Exit Fee	\$ 13,022	12,383	12,431		(14)(17)
DroneDeploy, Inc.	Senior Secured	November 2028	Prime + 2.45 %, Floor rate 9.95 %, 5.00 % Exit Fee	\$ 9,375	9,255	9,274		(13)(17)
Earnix, Inc.	Senior Secured	June 2029	Prime - 1.15 %, Floor rate 5.35 %, PIK Interest 4.45 %	\$ 19,166	18,856	18,838		(11)(14)(17)
Elation Health, Inc.	Senior Secured	March 2026	Prime + 4.25 %, Floor rate 9.00 %, PIK Interest 1.95 %, 3.95 % Exit Fee	\$ 12,878	12,860	13,215		(11)(14)(19)
Flight Schedule Pro, LLC	Senior Secured	October 2027	1-month SOFR + 7.80 %, Floor rate 8.70 %	\$ 7,297	7,145	7,271		(17)(18)
Fortified Health Security	Senior Secured	December 2027	1-month SOFR + 7.64 %, Floor rate 8.54 %	\$ 7,000	6,882	6,950		(11)(17)(18)
Harness, Inc.	Senior Secured	March 2029	Prime - 2.25 %, Floor rate 5.25 %, Cap rate 6.50 %, PIK Interest 6.25 %, 1.00 % Exit Fee	\$ 18,132	17,947	18,060		(14)(17)(19)
iGrafx, LLC	Senior Secured	May 2027	1-month SOFR + 8.61 %, Floor rate 9.51 %, 0.47 % Exit Fee	\$ 4,950	4,879	4,869		(18)
Khoros	Senior Secured	January 2025	3-month SOFR + 4.50 %, Floor rate 5.50 %, PIK Interest 4.50 %	\$ 61,341	61,317	18,231		(8)(14)
Leapwork ApS	Senior Secured	February 2026	Prime + 0.25 %, Floor rate 7.00 %, PIK Interest 1.95 %, 2.70 % Exit Fee	\$ 8,890	8,883	9,117		(5)(10)(12)(14)
LinenMaster, LLC	Senior Secured	August 2028	1-month SOFR + 6.25 %, Floor rate 7.25 %, PIK Interest 2.15 %	\$ 15,428	15,189	15,481		(12)(14)(17)
Loftware, Inc.	Senior Secured	March 2028	3-month SOFR + 7.88 %, Floor rate 8.88 %	\$ 27,206	26,726	27,399		(17)(18)
LogicSource	Senior Secured	July 2027	1-month SOFR + 8.93 %, Floor rate 9.93 %	\$ 13,145	12,974	13,145		(17)(18)
LogRhythm, Inc.	Senior Secured	July 2029	1-month SOFR + 7.50 %, Floor rate 8.50 %	\$ 25,000	24,305	24,305		(17)
Marigold Group, Inc. (p.k.a. Campaign Monitor Limited)	Senior Secured	November 2026	PIK Interest 6-month SOFR + 10.55 %, Floor rate 11.55 %	\$ 38,828	38,336	32,773		(13)(14)(19)
Mobile Solutions Services	Senior Secured	December 2025	3-month SOFR + 9.21 %, Floor rate 10.06 %	\$ 18,366	18,237	17,616		(18)
Morphisec Information Security 2014 Ltd.	Senior Secured	October 2027	Prime + 3.45 %, Floor rate 11.70 %, 5.95 % Exit Fee	\$ 10,000	9,861	9,861		(5)(10)
New Relic, Inc.	Senior Secured	November 2030	1-month SOFR + 6.75 %, Floor rate 7.75 %	\$ 21,890	21,402	21,644		(17)
Omeda Holdings, LLC	Senior Secured	July 2027	3-month SOFR + 8.05 %, Floor rate 9.05 %	\$ 7,669	7,518	7,669		(11)(17)(18)
Payit, LLC	Senior Secured	December 2028	Prime + 1.45 %, Floor rate 7.95 %, PIK Interest 1.50 %, 5.00 % Exit Fee	\$ 12,003	11,881	11,881		(6)(14)(15)(17)(19)
Pindrop Security, Inc.	Senior Secured	June 2029	Prime + 3.50 %, Floor rate 10.00 %, 2.00 % Exit Fee	\$ 31,000	30,566	30,671		(15)(17)
Remodel Health Holdco, LLC	Senior Secured	December 2028	Prime + 2.35 %, Floor rate 10.35 %, 6.50 % Exit Fee	\$ 25,000	24,723	24,723		(6)(15)
Reveleer	Senior Secured	February 2027	Prime + 0.65 %, Floor rate 9.15 %, PIK Interest 2.00 %, 5.05 % Exit Fee	\$ 36,345	36,403	36,525		(14)(15)
Semperis Technologies Inc.	Senior Secured	April 2028	Prime - 1.75 %, Floor rate 6.75 %, PIK Interest 3.25 %	\$ 22,754	22,596	23,066		(11)(14)(19)
ShadowDragon, LLC	Senior Secured	December 2026	3-month SOFR + 8.88 %, Floor rate 9.78 %	\$ 6,000	5,918	5,953		(17)(18)
Simon Data, Inc.	Senior Secured	March 2027	Prime + 1.00 %, Floor rate 8.75 %, PIK Interest 1.95 %, 2.95 % Exit Fee	\$ 13,087	13,152	13,175		(12)(14)
Sisense Ltd.	Senior Secured	July 2027	Prime + 1.50 %, Floor rate 9.50 %, PIK Interest 1.95 %, 5.95 % Exit Fee	\$ 33,760	34,152	34,193		(5)(10)(14)
Streamline Healthcare Solutions	Senior Secured	March 2028	3-month SOFR + 7.25 %, Floor rate 8.25 %	\$ 17,600	17,324	17,688		(11)(13)(17)(18)
Sumo Logic, Inc.	Senior Secured	May 2030	3-month SOFR + 6.50 %, Floor rate 7.50 %	\$ 23,000	22,521	23,113		(17)
Suzy, Inc.	Senior Secured	August 2027	Prime + 1.75 %, Floor rate 10.00 %, PIK Interest 1.95 %, 3.45 % Exit Fee	\$ 24,345	24,031	24,935		(6)(14)(15)(17)
TaxCalc	Senior Secured	November 2029	3-month SONIA + 8.05 %, Floor rate 8.55 %	£ 7,500	9,518	9,198		(5)(10)(17)(18)
ThreatConnect, Inc.	Senior Secured	May 2026	3-month SOFR + 9.15 %, Floor rate 10.00 %	\$ 12,324	12,208	12,324		(18)
Tipalti Solutions Ltd.	Senior Secured	April 2027	Prime + 0.45 %, Floor rate 6.45 %, PIK Interest 2.00 %, 3.75 % Exit Fee	\$ 42,670	42,379	43,448		(5)(10)(14)
Zappi, Inc.	Senior Secured	December 2027	3-month SOFR + 8.03 %, Floor rate 9.03 %	\$ 12,729	12,522	12,756		(5)(10)(13)(17)(18)
Zimperium, Inc.	Senior Secured	May 2027	3-month SOFR + 8.31 %, Floor rate 9.31 %	\$ 14,790	14,618	14,444		(17)(18)
Subtotal: Software (52.80 %)*					1,091,349	1,050,563		

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Portfolio Company	Type of Investment	Maturity Date	Interest Rate and Floor ⁽¹⁾	Principal				Footnotes
				Amount	Cost ⁽²⁾	Value		
Space Technologies								
Voyager Technologies, Inc.	Senior Secured	July 2028	Prime + 1.25 %, Floor rate 9.75 %, PIK Interest 2.50 %, 5.50 % Exit Fee	\$ 45,439	\$ 45,302	\$ 45,690		(11)(14)(15)
Subtotal: Space Technologies (2.30 %)*					45,302	45,690		
Sustainable and Renewable Technology								
Ampion, PBC	Senior Secured	May 2025	Prime + 4.70 %, Floor rate 7.95 %, PIK Interest 1.45 %, 3.95 % Exit Fee	\$ 3,984	4,102	4,141		(13)(14)
Electric Hydrogen Co.	Senior Secured	May 2028	Prime + 2.25 %, Floor rate 10.75 %, PIK Interest 1.25 %, 4.89 % Exit Fee	\$ 20,127	19,687	19,830		(14)(15)(19)
SUNation Energy, Inc. (p.k.a. Pineapple Energy LLC)	Senior Secured	June 2027	FIXED 10.00 %	\$ 1,296	1,297	1,272		(19)
Subtotal: Sustainable and Renewable Technology (1.27 %)*					25,086	25,243		
Total: Debt Investments (175.65 %)*					\$ 3,515,541	\$ 3,494,601		

Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares				Footnotes
				Cost ⁽²⁾	Value			
Equity Investments								
Biotechnology Tools								
Alamar Biosciences, Inc.	Equity	2/21/2024	Preferred Series C	503,778	\$ 1,500	\$ 1,423		
Subtotal: Alamar Biosciences, Inc. (0.07 %)*					1,500	1,423		
Consumer & Business Products								
Fabletics, Inc.	Equity	4/30/2010	Common Stock	42,989	128	46		
	Equity	7/16/2013	Preferred Series B	130,191	1101	299		
Total Fabletics, Inc.				173,180	1,229	345		
Grove Collaborative, Inc.	Equity	4/30/2021	Common Stock	12,260	433	17	(4)	
Savage X Holding, LLC	Equity	4/30/2010	Class A Units	172,328	13	421		
Subtotal: Consumer & Business Products (0.04 %)*					1,675	783		
Consumer & Business Services								
Carwow LTD	Equity	12/15/2021	Preferred Series D-4	216,073	1,151	627	(5)(10)	
Lyft, Inc.	Equity	12/26/2018	Common Stock	100,738	5,263	1,299	(4)	
Nerdy Inc.	Equity	9/17/2021	Common Stock	100,000	1,000	162	(4)	
OfferUp, Inc.	Equity	10/25/2016	Preferred Series A	286,080	1,663	467		
	Equity	10/25/2016	Preferred Series A-1	108,710	632	177		
Total OfferUp, Inc.				394,790	2,295	644		
Oportun	Equity	6/28/2013	Common Stock	48,365	577	188	(4)	
Reischling Press, Inc.	Equity	7/31/2020	Common Stock	3,095	39	—		
Rhino Labs, Inc.	Equity	1/24/2022	Common Stock	7,063	1,000	—		
Tectura Corporation	Equity	5/23/2018	Common Stock	414,994,863	900	7	(7)	
	Equity	6/6/2016	Preferred Series BB	1,000,000	—	17	(7)	
	Equity	12/29/2023	Preferred Series C	3,235,298	13,263	3,606	(7)	
Total Tectura Corporation				419,230,161	14,163	3,630		
Worldremit Group Limited	Equity	6/24/2024	Preferred Series X	9,737	922	952	(5)(10)	
Subtotal: Consumer & Business Services (0.38 %)*					26,410	7,502		

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Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares	Cost ⁽²⁾	Value	Footnotes
Diversified Financial Services							
Gibraltar Acquisition, LLC	Equity	3/1/2018	Member Units	1	\$ 34,006	\$ 23,051	(7)(20)
Hercules Adviser LLC	Equity	3/26/2021	Member Units	1	35	30,190	(7)(23)
Newfront Insurance Holdings, Inc.	Equity	9/30/2021	Preferred Series D-2	210,282	403	404	
Subtotal: Diversified Financial Services (2.70 %)*					34,444	53,645	
Drug Delivery							
Ayu BioScience, Inc.	Equity	3/28/2014	Common Stock	680	1,500	1	(4)
BioQ Pharma Incorporated	Equity	12/8/2015	Preferred Series D	165,000	500	—	
PDS Biotechnology Corporation	Equity	4/6/2015	Common Stock	2,498	309	4	(4)
Taliphera, Inc.	Equity	12/10/2018	Common Stock	8,836	1,329	5	(4)
Subtotal: Drug Delivery (0.00 %)*					3,638	10	
Drug Discovery & Development							
Akero Therapeutics, Inc.	Equity	3/8/2024	Common Stock	34,483	1,000	959	(4)(10)
Avalo Therapeutics, Inc.	Equity	8/19/2014	Common Stock	42	1,000	—	(4)
Axsome Therapeutics, Inc.	Equity	5/9/2022	Common Stock	127,021	4,165	10,747	(4)(10)(16)
Bicycle Therapeutics PLC	Equity	10/5/2020	Common Stock	98,100	1,871	1,373	(4)(5)(10)
BridgeBio Pharma, Inc.	Equity	6/21/2018	Common Stock	231,329	2,255	6,348	(4)
Cyclo Therapeutics, Inc.	Equity	4/6/2021	Common Stock	134	42	—	(4)(10)
Dare Biosciences, Inc.	Equity	1/8/2015	Common Stock	1,129	1,000	4	(4)
Dynavax Technologies	Equity	7/22/2015	Common Stock	20,000	550	256	(4)(10)
Heron Therapeutics, Inc.	Equity	7/25/2023	Common Stock	364,963	500	558	(4)
Hibercell, Inc.	Equity	5/7/2021	Preferred Series B	3,466,840	4,250	328	(15)
HilleVax, Inc.	Equity	5/3/2022	Common Stock	235,295	4,000	487	(4)
Kura Oncology, Inc.	Equity	6/16/2023	Common Stock	47,826	550	417	(4)(10)
Madrigal Pharmaceutical, Inc.	Equity	9/29/2023	Common Stock	5,100	773	1,574	(4)(10)
NorthSea Therapeutics	Equity	12/15/2021	Preferred Series C	983	2,000	1,241	(5)(10)
Phathom Pharmaceuticals, Inc.	Equity	6/9/2023	Common Stock	147,233	1,730	1,196	(4)(10)(16)
Rocket Pharmaceuticals, Ltd.	Equity	8/22/2007	Common Stock	944	1,500	12	(4)
Savara, Inc.	Equity	8/11/2015	Common Stock	11,119	203	34	(4)
uniQure B.V.	Equity	1/31/2019	Common Stock	17,175	332	303	(4)(5)(10)
Valo Health, LLC	Equity	12/11/2020	Preferred Series B	510,308	3,000	1,134	
	Equity	10/31/2022	Preferred Series C	170,102	1,000	762	
Total Valo Health, LLC					680,410	4,000	1,896
Verge Analytics, Inc.	Equity	9/6/2023	Preferred Series C	208,588	1,500	1,519	
Viridian Therapeutics, Inc.	Equity	11/6/2023	Common Stock	32,310	400	619	(4)(10)
X4 Pharmaceuticals, Inc.	Equity	11/26/2019	Common Stock	1,566,064	2,945	1,149	(4)
Subtotal: Drug Discovery & Development (1.56 %)*					36,566	31,020	
Electronics & Computer Hardware							
Locus Robotics Corp.	Equity	11/17/2022	Preferred Series F	15,116	650	294	

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Skydio, Inc.	Equity	3/8/2022	Preferred Series E	248,900	\$ 1,500	\$ 643	
Subtotal: Electronics & Computer Hardware (0.05 %)*					2,150	937	
Healthcare Services, Other							
23andMe, Inc.	Equity	3/11/2019	Common Stock	41,286	5,094	134	(4)
Carbon Health Technologies, Inc.	Equity	3/30/2021	Preferred Series C	217,880	1,687	2	
Click Therapeutics, Inc.	Equity	5/20/2024	Common Stock	560,000	1,662	1,825	(15)
Curana Health Holdings, LLC	Equity	5/13/2024	Common Units	1,114,380	2,500	2,603	
Main Street Rural, Inc.	Equity	10/28/2024	Preferred Series D	496	874	874	
WellBe Senior Medical, LLC	Equity	6/10/2024	Common Units	181,163	1,600	2,065	
Subtotal: Healthcare Services, Other (0.38 %)*					13,417	7,503	
Information Services							
Yipit, LLC	Equity	12/30/2021	Preferred Series E	41,021	3,825	3,898	
Subtotal: Information Services (0.20 %)*					3,825	3,898	
Medical Devices & Equipment							
Coronado Aesthetics, LLC	Equity	10/15/2021	Common Units	180,000	—	—	(7)
	Equity	10/15/2021	Preferred Series A-2	5,000,000	250	69	(7)
Total Coronado Aesthetics, LLC				5,180,000	250	69	
Subtotal: Medical Devices & Equipment (0.00 %)*					250	69	
Semiconductors							
Achronix Semiconductor Corporation	Equity	7/1/2011	Preferred Series C	277,995	160	210	
Subtotal: Semiconductors (0.01 %)*					160	210	
Software							
3GTMS, LLC	Equity	8/9/2021	Common Stock	1,000,000	1,000	666	
Armis, Inc.	Equity	10/18/2024	Preferred Series D	294,213	2,000	2,000	
Black Crow AI, Inc. affiliates	Equity	3/24/2021	Preferred Note	3	2,406	2,406	(21)
CapLinked, Inc.	Equity	10/26/2012	Preferred Series A-3	53,614	51	—	
Contentful Global, Inc.	Equity	12/22/2020	Preferred Series C	41,000	138	257	(5)(10)
	Equity	11/20/2018	Preferred Series D	108,500	500	722	(5)(10)
Total Contentful Global, Inc.				149,500	638	979	
DNAexus, Inc.	Equity	3/21/2014	Preferred Series C	51,948	97	5	
Docker, Inc.	Equity	11/29/2018	Common Stock	20,000	4,284	198	
Druba Holdings, Inc.	Equity	10/22/2015	Preferred Series 2	458,841	1,000	5,194	
	Equity	8/24/2017	Preferred Series 3	93,620	300	1,075	
Total Druba Holdings, Inc.				552,461	1,300	6,269	
HighRoads, Inc.	Equity	1/18/2013	Common Stock	190	307	—	
Leapwork ApS	Equity	8/25/2023	Preferred Series B2	183,073	250	132	(5)(10)
Lightbend, Inc.	Equity	12/4/2020	Common Stock	38,461	265	24	
Nextdoor.com, Inc.	Equity	8/1/2018	Common Stock	1,019,255	4,854	2,416	(4)
SingleStore, Inc.	Equity	11/25/2020	Preferred Series E	580,983	2,000	1,988	

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Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares	Cost ⁽²⁾	Value	Footnotes
	Equity	8/12/2021	Preferred Series F	52,956	\$ 280	\$ 216	
Total SingleStore, Inc.				633,939	2,280	2,204	
SirionLabs Pte. Ltd.	Equity	6/30/2024	Preferred Series F1	152,250	1,792	1,996	(5)(10)
Verana Health, Inc.	Equity	7/8/2021	Preferred Series E	952,562	2,000	370	
Subtotal: Software (0.99 %)*				23,524	19,665		
Sustainable and Renewable Technology							
Impossible Foods, Inc.	Equity	5/10/2019	Preferred Series E-1	188,611	2,000	106	
Modumetal, Inc.	Equity	6/1/2015	Common Stock	1,035	500	—	
Pivot Bio, Inc.	Equity	6/28/2021	Preferred Series D	593,080	4,500	1,885	
SUNation Energy, Inc. (p.k.a. Pineapple Energy LLC)	Equity	12/10/2020	Common Stock	405	3,153	1 (4)	
Subtotal: Sustainable and Renewable Technology (0.10 %)*				10,153	1,992		
Total: Equity Investments (6.47 %)*				\$ 157,712	\$ 128,657		
Warrant Investments							
Biotechnology Tools							
Alamar Biosciences, Inc.	Warrant	6/21/2022	Preferred Series C	75,567	\$ 36	\$ 122	
PathAI, Inc.	Warrant	12/23/2022	Common Stock	53,418	460	101	(12)
Subtotal: Biotechnology Tools (0.01 %)*				496	223		
Communications & Networking							
Aryaka Networks, Inc.	Warrant	6/28/2022	Common Stock	486,097	242	209	(12)
Subtotal: Communications & Networking (0.01 %)*				242	209		
Consumer & Business Products							
Gadget Guard, LLC	Warrant	6/3/2014	Common Stock	1,662,441	228	—	
Whoop, Inc.	Warrant	6/27/2018	Preferred Series C	686,270	17	714	
Subtotal: Consumer & Business Products (0.04 %)*				245	714		
Consumer & Business Services							
Altumint, Inc.	Warrant	10/31/2024	Common Stock	1,701	127	129	(15)
Carwow LTD	Warrant	12/14/2021	Common Stock	174,163	164	55	(5)(10)
	Warrant	2/13/2024	Preferred Series D-4	109,257	20	11	(5)(10)
Total Carwow LTD				283,420	184	66	
Houzz, Inc.	Warrant	10/29/2019	Common Stock	529,661	20	—	
Landing Holdings Inc.	Warrant	3/12/2021	Common Stock	11,806	116	115	(15)
Lendio, Inc.	Warrant	3/29/2019	Preferred Series D	127,032	39	10	
Plentific Ltd	Warrant	10/3/2023	Ordinary Shares	27,298	60	38	(5)(10)
Provi	Warrant	12/22/2022	Common Stock	117,042	166	77	(15)
Rhino Labs, Inc.	Warrant	3/12/2021	Common Stock	13,106	470	—	(15)
SeatGeek, Inc.	Warrant	6/12/2019	Common Stock	1,604,724	1,242	4,901	(12)(16)
Skyword, Inc.	Warrant	11/14/2022	Common Stock	1,607,143	57	28	
	Warrant	8/23/2019	Preferred Series B	444,444	83	3	
Total Skyword, Inc.				2,051,587	140	31	

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Snagajob.com, Inc.	Warrant	4/20/2020	Common Stock	600,000	\$ 16	\$ —	—
	Warrant	6/30/2016	Preferred Series A	1,800,000	782	—	—
	Warrant	8/1/2018	Preferred Series B	1,211,537	62	—	—
Total Snagajob.com, Inc.				3,611,537	860	—	—
Thumbtack, Inc.	Warrant	5/1/2018	Common Stock	343,497	985	878	—
Veem, Inc.	Warrant	3/31/2022	Common Stock	98,428	126	13 (12)	—
Worldremit Group Limited	Warrant	2/11/2021	Preferred Series D	77,215	129	95 (5)(10)	—
	Warrant	8/27/2021	Preferred Series E	1,868	26	—	(5)(10)
				79,083	155	95	—
Total Worldremit Group Limited							—
Subtotal: Consumer & Business Services (0.32 %)*					4,690	6,353	
Diversified Financial Services							
Next Insurance, Inc.	Warrant	2/3/2023	Common Stock	522,930	214	460	—
Subtotal: Diversified Financial Services (0.02 %)*					214	460	—
Drug Discovery & Development							
Akero Therapeutics, Inc.	Warrant	6/15/2022	Common Stock	32,129	330	519 (4)(10)	—
AmplifyBio, LLC	Warrant	12/27/2022	Class A Units	69,239	238	151 (15)	—
Axsome Therapeutics, Inc.	Warrant	9/25/2020	Common Stock	61,004	1,290	1,528 (4)(10)(12)(16)	—
bluebird bio, Inc.	Warrant	3/15/2024	Common Stock	111,206	1,744	—	—
Cellarity, Inc.	Warrant	12/8/2021	Preferred Series B	100,000	287	103 (15)	—
Century Therapeutics, Inc.	Warrant	9/14/2020	Common Stock	16,112	37	— (4)	—
COMPASS Pathways plc	Warrant	6/30/2023	Ordinary Shares	75,376	278	48 (4)(5)(10)	—
Curevo, Inc.	Warrant	6/9/2023	Common Stock	95,221	233	154 (15)	—
enGene, Inc.	Warrant	12/22/2023	Common Stock	43,689	118	102 (4)(5)(10)	—
Fresh Tracks Therapeutics, Inc.	Warrant	2/18/2016	Common Stock	201	119	— (4)	—
Heron Therapeutics, Inc.	Warrant	8/9/2023	Common Stock	238,095	228	166 (4)(15)	—
Kineta, Inc.	Warrant	12/20/2019	Common Stock	2,202	110	— (4)	—
Kura Oncology, Inc.	Warrant	11/2/2022	Common Stock	14,342	88	16 (4)(10)(15)	—
Madrigal Pharmaceutical, Inc.	Warrant	5/9/2022	Common Stock	13,229	570	2,133 (4)(10)	—
Phathom Pharmaceuticals, Inc.	Warrant	9/17/2021	Common Stock	64,687	848	22 (4)(10)(12)(15)(16)	—
Redshift Bioanalytics, Inc.	Warrant	3/23/2022	Preferred Series E	475,510	20	22 (15)	—
Scynexis, Inc.	Warrant	5/14/2021	Common Stock	106,035	296	2 (4)	—
SynOx Therapeutics Limited	Warrant	4/18/2024	Preferred Series B	251,195	83	76 (5)(10)	—
TG Therapeutics, Inc.	Warrant	12/30/2021	Common Stock	117,168	721	1,730 (4)(10)	—
Valo Health, LLC	Warrant	6/15/2020	Common Units	102,216	256	39	—
X4 Pharmaceuticals, Inc.	Warrant	3/18/2019	Common Stock	1,392,787	510	185 (4)	—
Subtotal: Drug Discovery & Development (0.35 %)*					8,404	6,996	—
Electronics & Computer Hardware							
908 Devices, Inc.	Warrant	3/15/2017	Common Stock	49,078	101	1 (4)	—
Locus Robotics Corp.	Warrant	6/21/2022	Common Stock	8,503	34	51	—

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Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares	Cost ⁽²⁾	Value	Footnotes
Skydio, Inc.	Warrant	11/8/2021	Common Stock	622,255	\$ 557	\$ 212	
Subtotal: Electronics & Computer Hardware (0.01 %)*					692	264	
Healthcare Services, Other							
Curana Health Holdings, LLC	Warrant	1/4/2024	Common Units	447,410	156	492	
Modern Life, Inc.	Warrant	3/30/2023	Common Stock	52,665	210	169	
NeueHealth, Inc.	Warrant	6/21/2024	Common Stock	185,625	716	1,032	(4)(12)
Recover Together, Inc.	Warrant	7/3/2023	Common Stock	194,830	382	79	
Strive Health Holdings, LLC	Warrant	9/28/2023	Common Units	129,400	278	325	(15)
Vida Health, Inc.	Warrant	3/28/2022	Preferred Series E	192,431	121	2	
Subtotal: Healthcare Services, Other (0.11 %)*					1,863	2,099	
Information Services							
NetBase Quid, Inc. (p.k.a NetBase Solutions)	Warrant	8/22/2017	Preferred Series 1	60,000	356	—	
Signal Media Limited	Warrant	6/29/2022	Common Stock	129,638	57	13	(5)(10)
Subtotal: Information Services (0.00 %)*					413	13	
Manufacturing Technology							
Bright Machines, Inc.	Warrant	3/31/2022	Common Stock	392,308	537	871	
MacroFab, Inc.	Warrant	3/23/2022	Common Stock	1,111,111	528	291	
Subtotal: Manufacturing Technology (0.06 %)*					1,065	1,162	
Media/Content/Info							
Fever Labs, Inc.	Warrant	12/30/2022	Preferred Series E-1	369,370	67	63	
Subtotal: Media/Content/Info (0.00 %)*					67	63	
Medical Devices & Equipment							
Orchestra BioMed Holdings, Inc.	Warrant	11/6/2024	Common Stock	52,264	180	102	(4)(6)(15)
Outset Medical, Inc.	Warrant	9/27/2013	Common Stock	62,794	401	7	(4)
Senseonics Holdings, Inc.	Warrant	9/8/2023	Common Stock	1,032,718	276	203	(4)
Sight Sciences, Inc.	Warrant	1/22/2024	Common Stock	113,247	363	195	(4)(6)
Tela Bio, Inc.	Warrant	3/31/2017	Common Stock	15,712	61	—	(4)
Subtotal: Medical Devices & Equipment (0.03 %)*					1,281	507	
Semiconductors							
Achronix Semiconductor Corporation	Warrant	6/26/2015	Preferred Series D-2	750,000	99	494	
Subtotal: Semiconductors (0.02 %)*					99	494	
Software							
Aria Systems, Inc.	Warrant	5/22/2015	Preferred Series G	231,535	74	—	
Automation Anywhere, Inc.	Warrant	9/23/2022	Common Stock	254,778	448	421	
Bitsight Technologies, Inc.	Warrant	11/18/2020	Common Stock	29,691	284	442	
Brain Corporation	Warrant	10/4/2021	Common Stock	435,396	215	84	
CloudBolt Software, Inc.	Warrant	9/30/2020	Common Stock	211,342	117	9	
Cloudian, Inc.	Warrant	11/6/2018	Common Stock	477,454	71	—	

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Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares	Cost ⁽²⁾	Value	Footnotes
Cloudpay, Inc.	Warrant	4/10/2018	Preferred Series B	6,763	\$ 54	\$ 908	(5)(10)
Coronet Cyber Security Ltd.	Warrant	9/26/2024	Ordinary Shares	39,183	254	266	
Couchbase, Inc.	Warrant	4/25/2019	Common Stock	105,350	462	686	(4)
Cutover, Inc.	Warrant	9/21/2022	Common Stock	102,898	26	83	(5)(10)(12)
Dashlane, Inc.	Warrant	3/11/2019	Common Stock	770,838	461	1,102	
Demandbase, Inc.	Warrant	8/2/2021	Common Stock	727,047	545	234	
Dragos, Inc.	Warrant	6/28/2023	Common Stock	57,528	1,575	984	
DroneDeploy, Inc.	Warrant	6/30/2022	Common Stock	95,911	278	417	
Earnix, Inc.	Warrant	6/6/2024	Common Stock	20,762	220	327	
Elation Health, Inc.	Warrant	9/12/2022	Common Stock	362,837	583	236	
First Insight, Inc.	Warrant	5/10/2018	Preferred Series B	75,917	96	33	
Fulfil Solutions, Inc.	Warrant	7/29/2022	Common Stock	84,995	325	274	
Harness, Inc.	Warrant	3/12/2024	Common Stock	193,618	534	632	
Kore.ai, Inc.	Warrant	3/31/2023	Preferred Series C	64,293	208	142	
Leapwork ApS	Warrant	1/23/2023	Common Stock	93,211	39	35	(5)(10)(12)
Lightbend, Inc.	Warrant	2/14/2018	Preferred Series LB-2	86,984	131	26	
Mixpanel, Inc.	Warrant	9/30/2020	Common Stock	82,362	252	264	
Morphisec Information Security 2014 Ltd.	Warrant	10/1/2024	Ordinary Shares	200,115	104	108	(5)(10)
Pindrop Security, Inc.	Warrant	6/26/2024	Common Stock	134,542	494	496	(15)
Reltio, Inc.	Warrant	6/30/2020	Common Stock	69,120	215	698	
Semperis Technologies Inc.	Warrant	4/23/2024	Common Stock	72,122	115	213	
Simon Data, Inc.	Warrant	3/22/2023	Common Stock	77,934	96	22	(12)
SingleStore, Inc.	Warrant	4/28/2020	Preferred Series D	312,596	103	551	
Sisense Ltd.	Warrant	6/8/2023	Ordinary Shares	321,956	174	61	(5)(10)
Suzy, Inc.	Warrant	8/24/2023	Common Stock	292,936	367	291	(6)(15)
Tipalti Solutions Ltd.	Warrant	3/22/2023	Ordinary Shares	509,753	359	395	(5)(10)
VideoAmp, Inc.	Warrant	1/21/2022	Common Stock	152,048	1,275	32	(15)
Subtotal: Software (0.53 %)*					10,554	10,472	
Space Technologies							
Capella Space Corp.	Warrant	10/21/2021	Common Stock	176,200	207	10	(15)
Subtotal: Space Technologies (0.00 %)*					207	10	
Sustainable and Renewable Technology							
Ampion, PBC	Warrant	4/15/2022	Common Stock	18,472	52	67	
Electric Hydrogen Co.	Warrant	3/27/2024	Common Stock	246,618	507	394	(15)
Halio, Inc.	Warrant	4/7/2015	Common Stock	144,914	63	—	
Subtotal: Sustainable and Renewable Technology (0.02 %)*					622	461	
Total: Warrant Investments (1.53 %)*					\$ 31,154	\$ 30,500	
Total Investments in Securities (183.64 %)*					\$ 3,704,407	\$ 3,653,758	

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Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares	Cost ⁽²⁾	Value	Footnotes
Investment Funds & Vehicles Investments							
Drug Discovery & Development							
Forbion Growth Opportunities Fund I C.V.	Investment Funds & Vehicles	11/16/2020		\$ 2,847	\$ 4,382	(5)(10)(17)	
Forbion Growth Opportunities Fund II C.V.	Investment Funds & Vehicles	6/23/2022		1,242	1,438	(5)(10)(17)	
Subtotal: Drug Discovery & Development (0.29 %)*				4,089	5,820		
Software							
Liberty Zim Co-Invest L.P.	Investment Funds & Vehicles	7/21/2022		381	400	(5)(10)	
Subtotal: Software (0.02 %)*				381	400		
Total: Investment Funds & Vehicles Investments (0.31 %)*				\$ 4,470	\$ 6,220		
Total Investments before Cash & Cash Equivalents (183.96 %)*				\$ 3,708,877	\$ 3,659,978		
Cash & Cash Equivalents							
GS Financial Square Government Fund	Cash & Cash Equivalents	FGTXX/38141W273		\$ 21,100	\$ 21,100		
Total: Investments in Cash & Cash Equivalents (1.06 %)*				\$ 21,100	\$ 21,100		
Total: Investments after Cash & Cash Equivalents (185.02 %)*				\$ 3,729,977	\$ 3,681,078		

Foreign Currency Forward Contracts

Foreign Currency	Settlement Date	Counterparty	Amount	Transaction	US \$ Notional Value at	
					Settlement Date	Value
Great British Pound (GBP)	6/3/2025	Goldman Sachs Bank USA	£ 20,511	Sold	\$ 26,178	\$ 538
Total Foreign Currency Forward (0.03 %)*					\$ 26,178	\$ 538

* Value as a percent of net assets. All amounts are stated in U.S. Dollars unless otherwise noted. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.

(1) PRIME represents 7.50 % as of December 31, 2024. 1-month SOFR, 3-month SOFR, and 6-month SOFR represent 4.33 %, 4.31 %, and 4.25 %, respectively, as of December 31, 2024.

(2) Gross unrealized appreciation, gross unrealized depreciation, and net unrealized depreciation for federal income tax purposes totaled \$ 108.4 million, \$ 156.5 million, and \$ 48.1 million, respectively. The tax cost of investments is \$ 3.7 billion.

(3) Preferred and common stock, warrants, and equity interests are generally non-income producing.

(4) Except for warrants in 23 publicly traded companies and common stock in 28 publicly traded companies, all investments are restricted as of December 31, 2024 and were valued at fair value using Level 3 significant unobservable inputs as determined in good faith by the Company's valuation committee (the "Valuation Committee") and approved by the board of directors (the "Board").

(5) Non-U.S. company or the company's principal place of business is outside the United States.

(6) Denotes that all or a portion of the investment in this portfolio company is held by Hercules SBIC V, L.P., the Company's wholly owned small business investment company.

(7) Control investment as defined under the 1940 Act in which Hercules owns at least 25% of the company's voting securities or has greater than 50% representation on its board.

(8) Debt is on non-accrual status as of December 31, 2024, and is therefore considered non-income producing.

(9) Denotes that all or a portion of the debt investment is convertible debt.

(10) Indicates assets that the Company deems not "qualifying assets" under section 55(a) of 1940 Act. Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets.

(11) Denotes that all or a portion of the debt investment is pledged as collateral under the SMBC Facility (as defined in "Note 5 — Debt").

(12) Denotes that all or a portion of the investment is pledged as collateral under the MUFG Bank Facility (as defined in "Note 5 — Debt").

(13) Denotes that all or a portion of the debt investment secures the 2031 Asset-Backed Notes (as defined in "Note 5 — Debt").

(14) Denotes that all or a portion of the debt investment principal includes accumulated PIK interest and is net of repayments.

(15) Denotes that all or a portion of the investment in this portfolio company is held by Hercules Capital IV, L.P., the Company's wholly owned small business investment company.

(16) Denotes that the fair value of the Company's total investments in this portfolio company represent greater than 5% of the Company's total net assets as of December 31, 2024.

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(17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company as of December 31, 2024 (Refer to "Note 11 — Commitments and Contingencies").

(18) Denotes unitranche debt with first lien "last-out" senior secured position and security interest in all assets of the portfolio company whereby the "last-out" portion will be subordinated to the "first-out" portion in a liquidation, sale or other disposition.

(19) Denotes second lien senior secured debt.

(20) Gibraltar Acquisition LLC is a wholly-owned subsidiary, which is the holding company for their wholly-owned affiliated portfolio companies, Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC.

(21) Denotes investment in a non-voting security in the form of a promissory note. The terms of the notes provide the Company with a lien on the issuers' shares of Common Stock for Black Crow AI, Inc., subject to release upon repayment of the outstanding balance of the notes. As of December 31, 2024, the Black Crow AI, Inc. affiliates promissory notes had an outstanding balance of \$ 2.4 million.

(22) Denotes the security holds rights to royalty fee income associated with certain products of the portfolio company. The approximate cost and fair value of the royalty contract are \$ 11.9 million and \$ 11.6 million, respectively.

(23) Hercules Adviser LLC is owned by Hercules Capital Management LLC and presented with Hercules Partner Holdings, LLC which are both wholly owned by the Company. Please refer to "Note 1" for additional disclosure.

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Portfolio Company	Type of Investment	Maturity Date	Interest Rate and Floor ⁽¹⁾	Principal Amount	Cost ⁽²⁾	Value	Footnotes
Debt Investments							
Biotechnology Tools							
Alamar Biosciences, Inc.	Senior Secured	June 2026	Prime + 3.00 %, Floor rate 6.50 %, PIK Interest 1.00 %, 5.95 % Exit Fee	\$ 15,049	\$ 15,069	\$ 15,508	(13)(14)
PathAI, Inc.	Senior Secured	January 2027	Prime + 2.15 %, Floor rate 9.15 %, 9.81 % Exit Fee	\$ 32,000	31,941	32,519	(12)
Subtotal: Biotechnology Tools (2.66 %)*				47,010	48,027		
Communications & Networking							
Aryaka Networks, Inc.	Senior Secured	July 2026	Prime + 3.25 %, Floor rate 6.75 %, PIK Interest 1.05 %, 3.55 % Exit Fee	\$ 25,153	24,943	26,000	(12)(14)(19)
Cytracom Holdings LLC	Senior Secured	February 2025	3-month SOFR + 9.72 %, Floor rate 10.62 %	\$ 3,267	3,239	3,272	(11)(17)(18)
Subtotal: Communications & Networking (1.62 %)*				28,182	29,272		
Consumer & Business Services							
Altumint, Inc.	Senior Secured	December 2027	Prime + 3.65 %, Floor rate 12.15 %, 2.50 % Exit Fee	\$ 10,000	9,905	9,905	(15)(17)
AppDirect, Inc.	Senior Secured	April 2026	Prime + 5.50 %, Floor rate 8.75 %, 7.12 % Exit Fee	\$ 55,790	57,653	59,507	(12)
Carwow LTD	Senior Secured	December 2024	Prime + 4.70 %, Floor rate 7.95 %, PIK Interest 1.45 %, 4.95 % Exit Fee	£ 19,146	26,834	25,157	(5)(10)(14)
Houzz, Inc.	Convertible Debt	May 2028	PIK Interest 8.50 %	\$ 23,340	23,340	23,244	(9)(14)
Jobandtalent USA, Inc.	Senior Secured	February 2025	1-month SOFR + 8.86 %, Floor rate 9.75 %, 3.00 % Exit Fee	\$ 14,000	14,095	14,259	(5)(10)
Plentific Ltd	Senior Secured	October 2026	Prime + 2.55 %, Floor rate 11.05 %, 2.95 % Exit Fee	\$ 875	853	853	(5)(10)(17)
Provi	Senior Secured	December 2026	Prime + 4.40 %, Floor rate 10.65 %, 2.95 % Exit Fee	\$ 15,000	14,904	15,046	(15)
Rhino Labs, Inc.	Senior Secured	June 2024	Prime + 5.50 %, Floor rate 8.75 %, PIK Interest 2.25 %	\$ 4,710	4,704	4,704	(14)(15)
Riviera Partners LLC	Senior Secured	April 2027	3-month SOFR + 8.26 %, Floor rate 9.26 %	\$ 36,868	36,339	34,659	(17)(18)
RVShare, LLC	Senior Secured	December 2026	3-month SOFR + 5.50 %, Floor rate 6.50 %, PIK Interest 4.00 %	\$ 28,876	28,404	28,888	(13)(14)(15)
SeatGeek, Inc.	Senior Secured	May 2026	Prime + 7.00 %, Floor rate 10.50 %, PIK Interest 0.50 %, 4.00 % Exit Fee	\$ 25,199	25,126	25,869	(11)(14)(16)
	Senior Secured	July 2026	Prime + 2.50 %, Floor rate 10.75 %, PIK Interest 0.50 %, 3.00 % Exit Fee	\$ 77,642	77,170	79,119	(12)(14)(16)
Total SeatGeek, Inc.				\$ 102,841	102,296	104,988	
Skyword, Inc.	Senior Secured	November 2026	Prime + 2.75 %, Floor rate 9.25 %, PIK Interest 1.75 %, 3.00 % Exit Fee	\$ 9,169	9,189	9,311	(13)(14)
Tectura Corporation	Senior Secured	July 2024	FIXED 8.25 %	\$ 8,250	8,250	8,250	(7)
Thumbtack, Inc.	Senior Secured	April 2026	Prime + 4.95 %, Floor rate 8.20 %, PIK Interest 1.50 %, 3.95 % Exit Fee	\$ 10,258	10,317	10,639	(12)(14)(17)
Udacity, Inc.	Senior Secured	September 2024	Prime + 4.50 %, Floor rate 7.75 %, PIK Interest 2.00 %, 3.00 % Exit Fee	\$ 53,000	53,989	53,130	(12)(14)
Veem, Inc.	Senior Secured	March 2025	Prime + 4.00 %, Floor rate 7.25 %, PIK Interest 1.25 %, 4.50 % Exit Fee	\$ 5,107	5,176	5,230	(13)(14)
	Senior Secured	March 2025	Prime + 4.70 %, Floor rate 7.95 %, PIK Interest 1.50 %, 4.50 % Exit Fee	\$ 5,110	5,189	5,286	(12)(14)
Total Veem, Inc.				\$ 10,217	10,365	10,516	
Worldremit Group Limited	Senior Secured	February 2025	3-month SOFR + 9.40 %, Floor rate 10.25 %, 3.20 % Exit Fee	\$ 88,250	89,318	89,653	(5)(10)(11)(12)(16)(19)
	Senior Secured	February 2025	1-month SOFR + 9.35 %, Floor rate 10.25 %, 3.20 % Exit Fee	\$ 6,250	6,308	6,344	(5)(10)(16)(19)
Total Worldremit Group Limited				\$ 94,500	95,626	95,997	
Subtotal: Consumer & Business Services (28.24 %)*				507,063	509,053		
Diversified Financial Services							
Gibraltar Acquisition, LLC (p.k.a. Gibraltar Business Capital, LLC)	Unsecured	September 2026	FIXED 11.50 %	\$ 25,000	24,663	24,663	(7)(20)
	Unsecured	September 2026	FIXED 11.95 %	\$ 10,000	9,815	9,815	(7)(20)
Total Gibraltar Acquisition, LLC				\$ 35,000	34,478	34,478	

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Portfolio Company	Type of Investment	Maturity Date	Interest Rate and Floor ⁽¹⁾	Principal Amount	Cost ⁽²⁾	Value	Footnotes	
Hercules Adviser LLC	Unsecured	June 2025	FIXED 5.00 %	\$ 12,000	\$ 12,000	\$ 12,000	(7)(23)	
Next Insurance, Inc.	Senior Secured	February 2028	Prime - 1.50 %, Floor rate 4.75 %, PIK Interest 5.50 %	\$ 10,469	10,286	10,618	(14)(17)(19)	
Subtotal: Diversified Financial Services (3.17 %)*					56,764	57,096		
Drug Discovery & Development								
Akero Therapeutics, Inc.	Senior Secured	January 2027	Prime + 3.65 %, Floor rate 7.65 %, 5.85 % Exit Fee	\$ 12,500	12,525	13,065	(10)(13)(17)	
Aldeyra Therapeutics, Inc.	Senior Secured	October 2024	Prime + 3.10 %, Floor rate 8.60 %, 8.90 % Exit Fee	\$ 15,000	15,152	15,152	(11)	
Alladapt Immunotherapeutics Inc.	Senior Secured	September 2026	Prime + 3.65 %, Floor rate 8.40 %, Cap rate 10.90 %, 5.30 % Exit Fee	\$ 35,000	35,173	36,855	(13)	
AmplifyBio, LLC	Senior Secured	January 2027	Prime + 2.50 %, Floor rate 9.50 %, Cap rate 10.75 %, 5.85 % Exit Fee	\$ 24,000	24,120	24,514	(15)	
ATAI Life Sciences N.V.	Senior Secured	August 2026	Prime + 4.55 %, Floor rate 8.55 %, 6.95 % Exit Fee	\$ 10,500	10,695	10,904	(5)(10)	
Axsome Therapeutics, Inc.	Senior Secured	January 2028	Prime + 2.20 %, Floor rate 9.95 %, Cap rate 10.70 %, 5.78 % Exit Fee	\$ 143,350	143,646	150,255	(10)(11)(12)(16)	
Bicycle Therapeutics PLC	Senior Secured	July 2025	Prime + 4.55 %, Floor rate 8.05 %, Cap rate 9.05 %, 5.00 % Exit Fee	\$ 11,500	11,880	11,783	(5)(10)(11)(12)	
BiomX, INC	Senior Secured	September 2025	Prime + 5.70 %, Floor rate 8.95 %, 6.55 % Exit Fee	\$ 6,448	6,807	6,790	(5)(10)(11)	
Braeburn, Inc.	Senior Secured	October 2028	Prime + 2.45 %, Floor rate 10.95 %, PIK Interest 1.10 %, 5.45 % Exit Fee	\$ 52,601	52,185	52,185	(14)	
BridgeBio Pharma, Inc.	Senior Secured	November 2026	FIXED 9.00 %, 2.00 % Exit Fee	\$ 38,167	38,124	35,498	(12)(13)(14)	
Cellarity, Inc.	Senior Secured	June 2026	Prime + 5.70 %, Floor rate 8.95 %, 3.75 % Exit Fee	\$ 29,193	29,482	30,051	(13)(15)	
COMPASS Pathways plc	Senior Secured	July 2027	Prime + 1.50 %, Floor rate 9.75 %, PIK Interest 1.40 %, 4.75 % Exit Fee	\$ 24,144	23,798	24,601	(5)(10)(14)	
Corium, Inc.	Senior Secured	September 2026	Prime + 5.70 %, Floor rate 8.95 %, 7.75 % Exit Fee	\$ 105,225	107,667	108,545	(13)(16)	
Curevo, Inc.	Senior Secured	June 2027	Prime + 1.70 %, Floor rate 9.70 %, 6.95 % Exit Fee	\$ 10,000	9,821	10,076	(15)	
Elox Pharmaceuticals, Inc.	Senior Secured	April 2025	Prime + 6.25 %, Floor rate 9.50 %, 6.55 % Exit Fee	\$ 3,099	3,789	3,731	(15)	
enGene, Inc.	Senior Secured	January 2028	Prime + 0.75 %, Floor rate 9.25 %, Cap rate 9.75 %, PIK Interest 1.15 %, 5.50 % Exit Fee	\$ 15,750	15,550	15,550	(5)(10)	
G1 Therapeutics, Inc.	Senior Secured	November 2026	Prime + 5.65 %, Floor rate 9.15 %, 11.41 % Exit Fee	\$ 38,750	39,679	40,421	(11)(12)(15)	
Geron Corporation	Senior Secured	April 2025	Prime + 4.50 %, Floor rate 9.00 %, 6.55 % Exit Fee	\$ 30,200	31,005	31,210	(10)(12)(13)	
Gritstone Bio, Inc.	Senior Secured	July 2027	Prime + 3.15 %, Floor rate 7.15 %, Cap rate 8.65 %, PIK Interest 2.00 %, 5.75 % Exit Fee	\$ 30,532	30,717	30,909	(13)(14)	
Heron Therapeutics, Inc.	Senior Secured	February 2026	Prime + 1.70 %, Floor rate 9.95 %, PIK Interest 1.50 %, 3.00 % Exit Fee	\$ 20,095	19,788	19,788	(14)(15)(17)	
Hibercell, Inc.	Senior Secured	May 2025	Prime + 5.40 %, Floor rate 8.65 %, 4.95 % Exit Fee	\$ 12,535	13,117	13,181	(13)(15)	
HilleVax, Inc.	Senior Secured	May 2027	Prime + 1.05 %, Floor rate 4.55 %, Cap rate 6.05 %, PIK Interest 2.85 %, 7.15 % Exit Fee	\$ 20,524	20,685	20,335	(14)(15)	
Kura Oncology, Inc.	Senior Secured	November 2027	Prime + 2.40 %, Floor rate 8.65 %, 15.13 % Exit Fee	\$ 5,500	5,532	5,752	(10)(15)(17)	
Locus Biosciences, Inc.	Senior Secured	July 2025	Prime + 6.10 %, Floor rate 9.35 %, 4.95 % Exit Fee	\$ 5,399	5,651	5,686	(15)	
Madrigal Pharmaceutical, Inc.	Senior Secured	May 2026	Prime + 2.45 %, Floor rate 8.25 %, 5.35 % Exit Fee	\$ 78,200	78,728	81,945	(10)	
Phathom Pharmaceuticals, Inc.	Senior Secured	December 2027	Prime + 1.35 %, Floor rate 9.85 %, PIK Interest 2.15 %, 7.29 % Exit Fee	\$ 129,699	130,934	128,326	(10)(12)(14)(15)(16)(17)(22)	
Redshift Bioanalytics, Inc.	Senior Secured	January 2026	Prime + 4.25 %, Floor rate 7.50 %, 3.80 % Exit Fee	\$ 5,000	5,047	5,119	(15)	
Replimune Group, Inc.	Senior Secured	October 2027	Prime + 1.75 %, Floor rate 7.25 %, Cap rate 9.00 %, PIK Interest 1.50 %, 4.95 % Exit Fee	\$ 31,416	31,450	32,702	(10)(12)(14)	
Tarsus Pharmaceuticals, Inc.	Senior Secured	February 2027	Prime + 4.45 %, Floor rate 8.45 %, Cap Rate 11.45 %, 4.75 % Exit Fee	\$ 12,375		12,488	12,916	(10)(13)(17)
TG Therapeutics, Inc.	Senior Secured	January 2026	Prime + 1.20 %, Floor rate 8.95 %, PIK Interest 2.25 %, 5.69 % Exit Fee	\$ 65,770		66,439	67,610	(10)(11)(12)(14)
uniQure B.V.	Senior Secured	January 2027	Prime + 4.70 %, Floor rate 7.95 %, 6.10 % Exit Fee	\$ 70,000	71,157	73,318	(5)(10)(11)(12)	
Valo Health, LLC	Senior Secured	May 2024	Prime + 6.45 %, Floor rate 9.70 %, 3.85 % Exit Fee	\$ 2,396	2,808	2,808	(11)(13)	

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Portfolio Company	Type of Investment	Maturity Date	Interest Rate and Floor ⁽¹⁾	Principal Amount	Cost ⁽²⁾	Value	Footnotes
Verona Pharma, Inc.	Senior Secured	December 2028	1-month SOFR + 5.85 %, Floor rate 11.19 %, Cap rate 13.19 %, 3.50 % Exit Fee	\$ 15,750	\$ 15,646	\$ 15,646	(5)(10)
Viridian Therapeutics, Inc.	Senior Secured	October 2026	Prime + 4.20 %, Floor rate 7.45 %, Cap rate 8.95 %, 6.00 % Exit Fee	\$ 8,000	8,057	8,023	(10)(13)
X4 Pharmaceuticals, Inc.	Senior Secured	October 2026	Prime + 3.15 %, Floor rate 10.15 %, 3.80 % Exit Fee	\$ 55,000	54,680	55,417	(11)(12)(13)
Subtotal: Drug Discovery & Development (66.60 %)*					1,184,022	1,200,667	
Electronics & Computer Hardware							
Locus Robotics Corp.	Senior Secured	June 2026	Prime + 4.50 %, Floor rate 8.00 %, 4.00 % Exit Fee	\$ 18,281	18,348	18,982	(19)
Subtotal: Electronics & Computer Hardware (1.05 %)*					18,348	18,982	
Healthcare Services, Other							
Better Therapeutics, Inc.	Senior Secured	August 2025	Prime + 5.70 %, Floor rate 8.95 %, 5.95 % Exit Fee	\$ 10,865	11,285	8,455	(15)
Blue Sprig Pediatrics, Inc.	Senior Secured	November 2026	1-month SOFR + 5.11 %, Floor rate 6.00 %, PIK Interest 4.45 %	\$ 69,032	68,277	68,393	(11)(13)(14)
Carbon Health Technologies, Inc.	Senior Secured	March 2025	Prime + 5.60 %, Floor rate 8.85 %, 4.61 % Exit Fee	\$ 46,125	47,193	46,242	(11)(13)
Equality Health, LLC	Senior Secured	February 2026	Prime + 6.25 %, Floor rate 9.50 %, PIK Interest 1.55 %	\$ 54,425	54,142	54,697	(11)(12)(14)
Main Street Rural, Inc.	Senior Secured	July 2027	Prime + 1.95 %, Floor rate 9.95 %, 6.85 % Exit Fee	\$ 24,500	24,476	24,929	(15)(17)
Modern Life, Inc.	Senior Secured	February 2027	Prime + 2.75 %, Floor rate 8.75 %, 5.00 % Exit Fee	\$ 13,000	12,888	13,111	(13)(17)
Recover Together, Inc.	Senior Secured	July 2027	Prime + 1.90 %, Floor rate 10.15 %, 7.50 % Exit Fee	\$ 35,000	34,683	34,683	
Strive Health Holdings, LLC	Senior Secured	September 2027	Prime + 0.70 %, Floor rate 9.20 %, 5.95 % Exit Fee	\$ 12,000	11,868	11,868	(15)
Vida Health, Inc.	Senior Secured	March 2026	9.20 % + Lower of (Prime - 3.25 %) or 1.00 %, Floor rate 9.20 %, Cap rate 10.20 %, 4.95 % Exit Fee	\$ 36,500	36,352	36,145	(11)
Subtotal: Healthcare Services, Other (16.56 %)*					301,164	298,523	
Information Services							
Capella Space Corp.	Senior Secured	November 2025	Prime + 5.00 %, Floor rate 8.25 %, PIK Interest 1.10 %, 7.00 % Exit Fee	\$ 20,477	21,166	21,351	(14)(15)
Checkr Group, Inc.	Senior Secured	August 2028	Prime + 1.45 %, Floor rate 8.00 %, PIK Interest 2.00 %, 2.75 % Exit Fee	\$ 47,621	47,460	49,382	(14)(17)
Saama Technologies, LLC	Senior Secured	July 2027	Prime + 0.70 %, Floor rate 8.95 %, PIK Interest 2.00 %, 2.95 % Exit Fee	\$ 11,725	11,627	11,876	(14)(17)
Signal Media Limited	Senior Secured	June 2025	Prime + 5.50 %, Floor rate 9.00 %, Cap rate 12.00 %, 3.45 % Exit Fee	\$ 5,400	5,364	5,392	(5)(10)
Yipit, LLC	Senior Secured	September 2026	1-month SOFR + 8.45 %, Floor rate 9.35 %	\$ 31,875	31,482	31,875	(17)(18)
Subtotal: Information Services (6.65 %)*					117,099	119,876	
Manufacturing Technology							
Bright Machines, Inc.	Senior Secured	May 2025	Prime + 4.00 %, Floor rate 9.50 %, 5.00 % Exit Fee	\$ 7,827	8,064	8,006	(13)
Subtotal: Manufacturing Technology (0.44 %)*					8,064	8,006	
Media/Content/Info							
Fever Labs, Inc.	Senior Secured	September 2026	Prime + 3.50 %, Floor rate 9.00 %, 4.00 % Exit Fee	\$ 6,667	6,672	6,768	(19)
	Senior Secured	September 2025	Prime + 3.50 %, Floor rate 9.00 %, 3.00 % Exit Fee	\$ 1,167	1,178	1,188	(19)
	Senior Secured	December 2025	Prime + 3.50 %, Floor rate 9.00 %, 3.00 % Exit Fee	\$ 1,333	1,342	1,351	(19)
	Senior Secured	March 2026	Prime + 3.50 %, Floor rate 9.00 %, 3.00 % Exit Fee	\$ 1,500	1,501	1,509	(19)
	Senior Secured	June 2026	Prime + 3.50 %, Floor rate 9.00 %, 3.00 % Exit Fee	\$ 1,667	1,647	1,653	(19)
Total Fever Labs, Inc.				\$ 12,334	12,340	12,469	
Subtotal: Media/Content/Info (0.69 %)*					12,340	12,469	

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Portfolio Company	Type of Investment	Maturity Date	Interest Rate and Floor ⁽¹⁾	Principal Amount	Cost ⁽²⁾	Value	Footnotes
Medical Devices & Equipment							
Senseonics Holdings, Inc.	Senior Secured	September 2027	Prime + 1.40 %, Floor rate 9.90 %, 6.95 % Exit Fee	\$ 21,875	\$ 21,572	\$ 21,572	(17)
Subtotal: Medical Devices & Equipment (1.20 %)*					21,572	21,572	
Software							
3GTMS, LLC	Senior Secured	February 2025	3-month SOFR + 9.70 %, Floor rate 10.60 %	\$ 13,110	13,029	13,103	(11)(17)(18)
	Senior Secured	February 2025	3-month SOFR + 6.88 %, Floor rate 7.78 %	\$ 1,990	1,988	1,986	(17)(18)
Total 3GTMS, LLC				\$ 15,100	15,017	15,089	
Agilence, Inc.	Senior Secured	October 2026	1-month BSBY + 9.00 %, Floor rate 10.00 %	\$ 9,212	9,040	9,212	(12)(17)(18)
Alchemer LLC	Senior Secured	May 2028	1-month SOFR + 8.14 %, Floor rate 9.14 %	\$ 20,908	20,508	21,297	(13)(17)(18)
Allvue Systems, LLC	Senior Secured	September 2029	6-month SOFR + 7.25 %, Floor rate 8.25 %	\$ 36,410	35,530	35,530	(17)
Annex Cloud	Senior Secured	February 2027	1-month BSBY + 9.41 %, Floor rate 10.41 %	\$ 9,823	9,649	9,761	(13)(17)
Automation Anywhere, Inc.	Senior Secured	September 2027	Prime + 4.25 %, Floor rate 9.00 %, 4.50 % Exit Fee	\$ 19,600	19,345	20,269	(11)(17)(19)
Babel Street	Senior Secured	December 2027	3-month SOFR + 7.89 %, Floor rate 8.89 %	\$ 45,000	43,983	44,928	(15)(17)(18)
Brain Corporation	Senior Secured	April 2026	Prime + 3.70 %, Floor rate 9.20 %, PIK Interest 1.00 %, 3.95 % Exit Fee	\$ 30,415	30,678	30,989	(13)(14)(15)(17)
Campaign Monitor Limited	Senior Secured	November 2025	3-month SOFR + 9.05 %, Floor rate 9.90 %	\$ 33,000	32,706	33,000	(13)(19)
Catchpoint Systems, Inc.	Senior Secured	November 2025	3-month SOFR + 9.41 %, Floor rate 11.81 %	\$ 10,073	9,931	9,940	(18)
Ceros, Inc.	Senior Secured	September 2026	6-month SOFR + 8.99 %, Floor rate 9.89 %	\$ 22,867	22,498	23,075	(17)(18)
Constructor.io Corporation	Senior Secured	July 2027	1-month SOFR + 8.44 %, Floor rate 9.44 %	\$ 4,688	4,592	4,790	(13)(17)(18)
Convoy, Inc.	Senior Secured	March 2026	Prime + 3.20 %, Floor rate 6.45 %, PIK Interest 1.95 %, 4.55 % Exit Fee	\$ 31,049	30,916	—	(8)(14)(19)
Copper CRM, Inc	Senior Secured	March 2025	Prime + 4.50 %, Floor rate 8.25 %, Cap rate 10.25 %, PIK Interest 1.95 %, 3.96 % Exit Fee	\$ 9,141	9,307	9,153	(11)(14)
Cutover, Inc.	Senior Secured	October 2025	Prime + 5.20 %, Floor rate 9.95 %, 4.95 % Exit Fee	\$ 5,500	5,544	5,715	(5)(10)(12)(17)
Cybermaxx Intermediate Holdings, Inc.	Senior Secured	August 2026	6-month SOFR + 8.63 %, Floor rate 9.38 %	\$ 7,955	7,830	7,778	(13)(17)
	Senior Secured	August 2026	6-month SOFR + 12.36 %, Floor rate 13.11 %	\$ 2,546	2,494	2,556	(17)
Total Cybermaxx Intermediate Holdings, Inc.				\$ 10,501	10,324	10,334	
Dashlane, Inc.	Senior Secured	December 2027	Prime + 3.05 %, Floor rate 11.55 %, PIK Interest 1.10 %, 7.26 % Exit Fee	\$ 42,863	43,087	43,087	(11)(13)(17)(19)
Dispatch Technologies, Inc.	Senior Secured	April 2028	3-month SOFR + 8.01 %, Floor rate 8.76 %	\$ 8,125	7,949	8,127	(17)(18)
DroneDeploy, Inc.	Senior Secured	July 2026	Prime + 4.50 %, Floor rate 8.75 %, 4.00 % Exit Fee	\$ 6,250	6,083	6,153	(17)
Eigen Technologies Ltd.	Senior Secured	April 2025	Prime + 5.10 %, Floor rate 8.35 %, 2.95 % Exit Fee	\$ 3,750	3,801	3,730	(5)(10)
Elation Health, Inc.	Senior Secured	March 2026	Prime + 4.25 %, Floor rate 9.00 %, PIK Interest 1.95 %, 3.95 % Exit Fee	\$ 12,629	12,253	12,692	(14)(17)(19)
Enmark Systems, Inc.	Senior Secured	September 2026	3-month SOFR + 6.73 %, Floor rate 7.73 %, PIK Interest 2.13 %	\$ 8,363	8,230	8,363	(11)(14)(17)(18)
Flight Schedule Pro, LLC	Senior Secured	October 2027	1-month SOFR + 7.80 %, Floor rate 8.70 %	\$ 6,587	6,420	6,553	(17)(18)
Fortified Health Security	Senior Secured	December 2027	1-month SOFR + 7.64 %, Floor rate 8.54 %	\$ 7,000	6,851	6,910	(11)(17)(18)
iGrafx, LLC	Senior Secured	May 2027	1-month SOFR + 8.66 %, Floor rate 9.56 %	\$ 5,000	4,901	4,901	(18)
Ikon Science Limited	Senior Secured	October 2024	3-month SOFR + 9.26 %, Floor rate 10.00 %	\$ 6,213	6,148	6,148	(5)(10)(17)(18)
Khoros (p.k.a. Lithium Technologies)	Senior Secured	January 2025	3-month SOFR + 4.50 %, Floor rate 5.50 %, PIK Interest 4.50 %	\$ 57,770	57,730	56,293	(14)
Leapwork ApS	Senior Secured	February 2026	Prime + 0.25 %, Floor rate 7.25 %, PIK Interest 1.95 %, 2.70 % Exit Fee	\$ 3,813	3,810	3,907	(5)(10)(12)(14)(17)
LinenMaster, LLC	Senior Secured	August 2028	1-month SOFR + 6.25 %, Floor rate 7.25 %, PIK Interest 2.15 %	\$ 15,083	14,799	14,799	(14)(17)
Loftware, Inc.	Senior Secured	March 2028	3-month SOFR + 7.88 %, Floor rate 8.88 %	\$ 26,469	25,897	26,566	(17)(18)

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LogicSource	Senior Secured	July 2027	3-month SOFR + 8.93 %, Floor rate 9.93 %	\$ 13,300	\$ 13,074	\$ 13,493	(17)(18)
Mobile Solutions Services	Senior Secured	December 2025	6-month SOFR + 9.31 %, Floor rate 10.06 %	\$ 18,366	18,116	18,176	(18)
New Relic, Inc.	Senior Secured	November 2030	3-month SOFR + 6.75 %, Floor rate 7.75 %	\$ 20,890	20,375	20,375	(17)
Omeda Holdings, LLC	Senior Secured	July 2027	3-month SOFR + 8.05 %, Floor rate 9.05 %	\$ 7,706	7,508	7,702	(11)(17)(18)
Onna Technologies, Inc.	Senior Secured	March 2026	Prime + 1.35 %, Floor rate 8.85 %, PIK Interest 1.75 %, 4.45 % Exit Fee	\$ 3,853	3,814	3,810	(14)
Salary.com, LLC	Senior Secured	September 2027	3-month SOFR + 8.00 %, Floor rate 9.00 %	\$ 22,185	21,814	22,048	(18)
ShadowDragon, LLC	Senior Secured	December 2026	1-month SOFR + 9.01 %, Floor rate 9.91 %	\$ 6,000	5,883	5,921	(17)(18)
Simon Data, Inc.	Senior Secured	March 2027	Prime + 1.00 %, Floor rate 8.75 %, PIK Interest 1.95 %, 2.92 % Exit Fee	\$ 15,065	14,982	15,037	(12)(14)
Sisense Ltd.	Senior Secured	July 2027	Prime + 1.50 %, Floor rate 9.50 %, PIK Interest 1.95 %, 5.95 % Exit Fee	\$ 34,830	34,584	34,881	(5)(10)(14)
Streamline Healthcare Solutions	Senior Secured	March 2028	3-month SOFR + 7.25 %, Floor rate 8.25 %	\$ 13,200	12,953	13,327	(17)(18)
Sumo Logic, Inc.	Senior Secured	May 2030	3-month SOFR + 6.50 %, Floor rate 7.50 %	\$ 23,000	22,460	23,105	(17)
Suzy, Inc.	Senior Secured	August 2027	Prime + 1.75 %, Floor rate 10.00 %, PIK Interest 1.95 %, 3.45 % Exit Fee	\$ 12,064	11,837	11,837	(14)(15)(17)
ThreatConnect, Inc.	Senior Secured	May 2026	6-month SOFR + 9.25 %, Floor rate 10.00 %	\$ 10,920	10,730	10,920	(17)(18)
Tipalti Solutions Ltd.	Senior Secured	April 2027	Prime + 0.45 %, Floor rate 7.95 %, PIK Interest 2.00 %, 3.75 % Exit Fee	\$ 10,649	10,578	10,835	(5)(10)(14)(17)
Zappi, Inc.	Senior Secured	December 2027	3-month SOFR + 8.03 %, Floor rate 9.03 %	\$ 9,000	8,816	8,967	(5)(10)(13)(17)(18)
Zimperium, Inc.	Senior Secured	May 2027	3-month SOFR + 8.31 %, Floor rate 9.31 %	\$ 16,313	16,057	16,394	(17)(18)
Subtotal: Software (40.39 %)*					751,108	728,139	
Sustainable and Renewable Technology							
Ampion, PBC	Senior Secured	May 2025	Prime + 4.70 %, Floor rate 7.95 %, PIK Interest 1.45 %, 3.78 % Exit Fee	\$ 3,926	3,952	3,939	(13)(14)
Pineapple Energy LLC	Senior Secured	June 2027	FIXED 10.00 %	\$ 1,682	1,682	1,678	(19)
Subtotal: Sustainable and Renewable Technology (0.31 %)*					5,634	5,617	
Total: Debt Investments (169.59 %)*					\$ 3,058,370	\$ 3,057,299	

Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares	Cost ⁽²⁾	Value	Footnotes
Equity Investments							
Consumer & Business Products							
Fabletics, Inc.	Equity	4/30/2010	Common Stock	42,989	\$ 128	\$ 96	
	Equity	7/16/2013	Preferred Series B	130,191	1,101	700	
Total Fabletics, Inc.				173,180	1,229	796	
Grove Collaborative, Inc.	Equity	4/30/2021	Common Stock	12,260	433	21	(4)
Savage X Holding, LLC	Equity	4/30/2010	Class A Units	172,328	13	863	
TFG Holding, Inc.	Equity	4/30/2010	Common Stock	173,180	89	584	
Subtotal: Consumer & Business Products (0.13 %)*					1,764	2,264	
Consumer & Business Services							
Carwow LTD	Equity	12/15/2021	Preferred Series D-4	199,742	1,151	679	(5)(10)
DoorDash, Inc.	Equity	12/20/2018	Common Stock	56,996	657	5,636	(4)
Lyft, Inc.	Equity	12/26/2018	Common Stock	100,738	5,263	1,510	(4)
Nerdy Inc.	Equity	9/17/2021	Common Stock	100,000	1,000	343	(4)

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Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares	Cost ⁽²⁾	Value	Footnotes
OfferUp, Inc.	Equity	10/25/2016	Preferred Series A	286,080	\$ 1,663	\$ 377	
	Equity	10/25/2016	Preferred Series A-1	108,710	632	143	
Total OfferUp, Inc.				394,790	2,295	520	
Oportun	Equity	6/28/2013	Common Stock	48,365	577	189	(4)
Reischling Press, Inc.	Equity	7/31/2020	Common Stock	3,095	39	—	
Rhino Labs, Inc.	Equity	1/24/2022	Common Stock	7,063	1,000	559	
Tectura Corporation	Equity	5/23/2018	Common Stock	414,994,863	900	4	(7)
	Equity	6/6/2016	Preferred Series BB	1,000,000	—	12	(7)
	Equity	12/29/2023	Preferred Series C	3,235,298	13,263	3,251	(7)
Total Tectura Corporation				419,230,161	14,163	3,267	
Subtotal: Consumer & Business Services (0.70 %)*					26,145	12,703	
Diversified Financial Services							
Gibraltar Acquisition, LLC (p.k.a. Gibraltar Equity Business Capital, LLC)	Equity	3/1/2018	Member Units	1	34,006	28,034	(7)(20)
Hercules Adviser LLC	Equity	3/26/2021	Member Units	1	35	28,713	(7)(23)
Newfront Insurance Holdings, Inc.	Equity	9/30/2021	Preferred Series D-2	210,282	403	325	
Subtotal: Diversified Financial Services (3.17 %)*					34,444	57,072	
Drug Delivery							
Aytu BioScience, Inc.	Equity	3/28/2014	Common Stock	680	1,500	2	(4)
BioQ Pharma Incorporated	Equity	12/8/2015	Preferred Series D	165,000	500	—	
PDS Biotechnology Corporation	Equity	4/6/2015	Common Stock	2,498	309	12	(4)
Taliphera, Inc. (p.k.a. AcelRx Pharmaceuticals, Inc.)	Equity	12/10/2018	Common Stock	8,836	1,329	7	(4)
Subtotal: Drug Delivery (0.00 %)*					3,638	21	
Drug Discovery & Development							
Avalo Therapeutics, Inc.	Equity	8/19/2014	Common Stock	42	1,000	—	(4)
Axsome Therapeutics, Inc.	Equity	5/9/2022	Common Stock	127,021	4,165	10,110	(4)(10)(16)
Bicycle Therapeutics PLC	Equity	10/5/2020	Common Stock	98,100	1,871	1,774	(4)(5)(10)
BridgeBio Pharma, Inc.	Equity	6/21/2018	Common Stock	231,329	2,255	9,339	(4)
Cyclo Therapeutics, Inc. (p.k.a. Applied Molecular Transport)	Equity	4/6/2021	Common Stock	134	42	—	(4)(10)
Dare Biosciences, Inc.	Equity	1/8/2015	Common Stock	13,550	1,000	4	(4)
Dynavax Technologies	Equity	7/22/2015	Common Stock	20,000	550	280	(4)(10)
Gritstone Bio, Inc.	Equity	10/26/2022	Common Stock	442,477	1,000	903	(4)
Heron Therapeutics, Inc.	Equity	7/25/2023	Common Stock	364,963	500	620	(4)
Hibercell, Inc.	Equity	5/7/2021	Preferred Series B	3,466,840	4,250	1,834	(15)
HilleVax, Inc.	Equity	5/3/2022	Common Stock	235,295	4,000	3,777	(4)
Humanigen, Inc.	Equity	3/31/2021	Common Stock	43,243	800	—	(4)(10)
Kura Oncology, Inc.	Equity	6/16/2023	Common Stock	47,826	550	688	(4)(10)
Madrigal Pharmaceutical, Inc.	Equity	9/29/2023	Common Stock	5,100	773	1,180	(4)(10)

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NorthSea Therapeutics	Equity	12/15/2021	Preferred Series C	983	\$ 2,000	\$ 1,427	(5)(10)
Phathom Pharmaceuticals, Inc.	Equity	6/9/2023	Common Stock	147,233	1,730	1,344	(4)(10)(16)
Rocket Pharmaceuticals, Ltd.	Equity	8/22/2007	Common Stock	944	1,500	28	(4)
Savara, Inc.	Equity	8/11/2015	Common Stock	11,119	203	52	(4)
Sio Gene Therapies, Inc.	Equity	2/2/2017	Common Stock	16,228	1,269	6	(4)
Tarsus Pharmaceuticals, Inc.	Equity	5/5/2022	Common Stock	155,555	2,100	3,150	(4)(10)
uniQure B.V.	Equity	1/31/2019	Common Stock	17,175	332	116	(4)(5)(10)
Valo Health, LLC	Equity	12/11/2020	Preferred Series B	510,308	3,000	2,911	
	Equity	10/31/2022	Preferred Series C	170,102	1,000	1,187	
Total Valo Health, LLC				680,410	4,000	4,098	
Verge Analytics, Inc.	Equity	9/6/2023	Preferred Series C	208,588	1,500	1,753	
Viridian Therapeutics, Inc.	Equity	11/6/2023	Common Stock	32,310	400	704	(4)(10)
X4 Pharmaceuticals, Inc.	Equity	11/26/2019	Common Stock	1,566,064	2,945	1,313	(4)
Subtotal: Drug Discovery & Development (2.47 %)*				40,735		44,500	
Electronics & Computer Hardware							
Locus Robotics Corp.	Equity	11/17/2022	Preferred Series F	15,116	650	407	
Skydio, Inc.	Equity	3/8/2022	Preferred Series E	248,900	1,500	544	
Subtotal: Electronics & Computer Hardware (0.05 %)*				2,150		951	
Healthcare Services, Other							
23andMe, Inc.	Equity	3/11/2019	Common Stock	825,732	5,094	754	(4)
Carbon Health Technologies, Inc.	Equity	3/30/2021	Preferred Series C	217,880	1,688	206	
Subtotal: Healthcare Services, Other (0.05 %)*				6,782		960	
Information Services							
Planet Labs, Inc.	Equity	6/21/2019	Common Stock	547,880	615	1,353	(4)
Yipit, LLC	Equity	12/30/2021	Preferred Series E	41,021	3,825	4,890	
Subtotal: Information Services (0.35 %)*				4,440		6,243	
Medical Devices & Equipment							
Coronado Aesthetics, LLC	Equity	10/15/2021	Common Units	180,000	—	2	(7)
	Equity	10/15/2021	Preferred Series A-2	5,000,000	250	260	(7)
Total Coronado Aesthetics, LLC				5,180,000	250	262	
Subtotal: Medical Devices & Equipment (0.01 %)*				250		262	
Semiconductors							
Achronix Semiconductor Corporation	Equity	7/1/2011	Preferred Series C	277,995	160	394	
Subtotal: Semiconductors (0.02 %)*				160		394	
Software							
3GTMS, LLC	Equity	8/9/2021	Common Stock	1,000,000	1,000	863	
Black Crow AI, Inc. affiliates	Equity	3/24/2021	Preferred Note	3	2,406	2,406	(21)
CapLinked, Inc.	Equity	10/26/2012	Preferred Series A-3	53,614	51	—	

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Contentful Global, Inc.	Equity	12/22/2020	Preferred Series C	41,000	\$ 138	\$ 303	(5)(10)
	Equity	11/20/2018	Preferred Series D	108,500	500	842	(5)(10)
Total Contentful Global, Inc.				149,500	638	1,145	
Docker, Inc.	Equity	11/29/2018	Common Stock	20,000	4,284	636	
Druva Holdings, Inc.	Equity	10/22/2015	Preferred Series 2	458,841	1,000	2,752	
	Equity	8/24/2017	Preferred Series 3	93,620	300	587	
Total Druva Holdings, Inc.				552,461	1,300	3,339	
HighRoads, Inc.	Equity	1/18/2013	Common Stock	190	307	—	
Leapwork ApS	Equity	8/25/2023	Preferred Series B2	183,073	250	231	(5)(10)
Lightbend, Inc.	Equity	12/4/2020	Common Stock	38,461	265	23	
Nextdoor.com, Inc.	Equity	8/1/2018	Common Stock	1,019,255	4,854	1,927	(4)
Palantir Technologies	Equity	9/23/2020	Common Stock	568,337	3,474	9,758	(4)
SingleStore, Inc.	Equity	11/25/2020	Preferred Series E	580,983	2,000	1,721	
	Equity	8/12/2021	Preferred Series F	52,956	280	196	
Total SingleStore, Inc.				633,939	2,280	1,917	
Verana Health, Inc.	Equity	7/8/2021	Preferred Series E	952,562	2,000	422	
ZeroFox, Inc.	Equity	5/7/2020	Common Stock	289,992	101	252	(4)
Subtotal: Software (1.27 %)*				23,210		22,919	
Sustainable and Renewable Technology							
Fulcrum Bioenergy, Inc.	Equity	9/13/2012	Preferred Series C-1	187,265	711	529	
Impossible Foods, Inc.	Equity	5/10/2019	Preferred Series E-1	188,611	2,000	479	
Modumetal, Inc.	Equity	6/1/2015	Common Stock	1,035	500	—	
NantEnergy, LLC	Equity	8/31/2013	Common Units	59,665	102	—	
Pineapple Energy LLC	Equity	12/10/2020	Common Stock	304,487	3,153	180	(4)
Pivot Bio, Inc.	Equity	6/28/2021	Preferred Series D	593,080	4,500	2,684	
Proterra, Inc.	Equity	5/28/2015	Common Stock	457,841	542	9	(4)
Subtotal: Sustainable and Renewable Technology (0.22 %)*				11,508		3,881	
Total: Equity Investments (8.44 %)*				\$ 155,226		\$ 152,170	
Warrant Investments							
Biotechnology Tools							
Alamar Biosciences, Inc.	Warrant	6/21/2022	Preferred Series B	46,197	\$ 36	\$ 20	
PathAI, Inc.	Warrant	12/23/2022	Common Stock	53,418	460	334	(12)
Subtotal: Biotechnology Tools (0.02 %)*				496		354	
Communications & Networking							
Aryaka Networks, Inc.	Warrant	6/28/2022	Common Stock	229,611	123	128	(12)
Subtotal: Communications & Networking (0.01 %)*				123		128	
Consumer & Business Products							
Gadget Guard, LLC	Warrant	6/3/2014	Common Stock	1,662,441	228	—	
The Neat Company	Warrant	8/13/2014	Common Stock	54,054	365	—	

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Whoop, Inc.	Warrant	6/27/2018	Preferred Series C	686,270	\$ 18	\$ 325	
Subtotal: Consumer & Business Products (0.02 %)*				611		325	
Consumer & Business Services							
Carwow LTD	Warrant	12/14/2021	Common Stock	174,163	164	75	(5)(10)
Houzz, Inc.	Warrant	10/29/2019	Common Stock	529,661	20	—	
Landing Holdings Inc.	Warrant	3/12/2021	Common Stock	11,806	116	298	(15)
Lendio, Inc.	Warrant	3/29/2019	Preferred Series D	127,032	39	33	
Plentific Ltd	Warrant	10/3/2023	Ordinary Shares	19,499	48	51	(5)(10)
Provi	Warrant	12/22/2022	Common Stock	117,042	166	74	(15)
Rhino Labs, Inc.	Warrant	3/12/2021	Common Stock	13,106	470	4	(15)
SeatGeek, Inc.	Warrant	6/12/2019	Common Stock	1,379,761	842	3,065	(16)
Skyword, Inc.	Warrant	11/14/2022	Common Stock	1,607,143	57	58	
	Warrant	8/23/2019	Preferred Series B	444,444	83	5	
Total Skyword, Inc.				2,051,587	140	63	
Snagajob.com, Inc.	Warrant	4/20/2020	Common Stock	600,000	16	—	
	Warrant	6/30/2016	Preferred Series A	1,800,000	782	—	
	Warrant	8/1/2018	Preferred Series B	1,211,537	62	—	
Total Snagajob.com, Inc.				3,611,537	860	—	
Thumbtack, Inc.	Warrant	5/1/2018	Common Stock	267,225	844	515	(12)
Udacity, Inc.	Warrant	9/25/2020	Common Stock	486,359	218	—	(12)
Veem, Inc.	Warrant	3/31/2022	Common Stock	98,428	126	16	(12)
Worldremit Group Limited	Warrant	2/11/2021	Preferred Series D	77,215	129	23	(5)(10)(12)(16)
	Warrant	8/27/2021	Preferred Series E	1,868	26	—	(5)(10)(16)
Total Worldremit Group Limited				79,083	155	23	
Subtotal: Consumer & Business Services (0.23 %)*				4,208		4,217	
Diversified Financial Services							
Next Insurance, Inc.	Warrant	2/3/2023	Common Stock	522,930	214	554	
Subtotal: Diversified Financial Services (0.03 %)*				214		554	
Drug Delivery							
Aerami Therapeutics Holdings, Inc.	Warrant	6/1/2016	Common Stock	67,069	—	—	
BioQ Pharma Incorporated	Warrant	10/27/2014	Common Stock	459,183	2	—	
PDS Biotechnology Corporation	Warrant	8/28/2014	Common Stock	3,929	390	—	(4)
Subtotal: Drug Delivery (0.00 %)*				392		—	
Drug Discovery & Development							
ADMA Biologics, Inc.	Warrant	2/24/2014	Common Stock	58,000	166	11	(4)
Akero Therapeutics, Inc.	Warrant	6/15/2022	Common Stock	22,949	175	335	(4)(10)
AmplifyBio, LLC	Warrant	12/27/2022	Class A Units	69,239	237	184	(15)
Axsome Therapeutics, Inc.	Warrant	9/25/2020	Common Stock	61,004	1,290	1,657	(4)(10)(12)(16)
Cellarity, Inc.	Warrant	12/8/2021	Preferred Series B	100,000	287	201	(15)

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Century Therapeutics, Inc.	Warrant	9/14/2020	Common Stock	16,112	\$ 37	\$ 1	(4)
COMPASS Pathways plc	Warrant	6/30/2023	Ordinary Shares	75,376	278	285	(4)(5)(10)
Curevo, Inc.	Warrant	6/9/2023	Common Stock	95,221	233	251	(15)
Dermavant Sciences Ltd.	Warrant	5/31/2019	Common Stock	223,642	101	7	(5)(10)
enGene, Inc.	Warrant	12/22/2023	Common Stock	43,689	118	179	(4)(5)(10)
Evofem Biosciences, Inc.	Warrant	6/11/2014	Common Stock	3	266	—	(4)
Fresh Tracks Therapeutics, Inc. (p.k.a.)							(4)
Brickell Biotech, Inc.)	Warrant	2/18/2016	Common Stock	201	119	—	
Heron Therapeutics, Inc.	Warrant	8/9/2023	Common Stock	238,095	228	223	(4)(15)
Kineta, Inc.	Warrant	12/20/2019	Common Stock	2,202	110	—	(4)
Kura Oncology, Inc.	Warrant	11/2/2022	Common Stock	14,342	88	63	(4)(10)(15)
Madrigal Pharmaceutical, Inc.	Warrant	5/9/2022	Common Stock	13,229	570	1,842	(4)(10)
Phathom Pharmaceuticals, Inc.	Warrant	9/17/2021	Common Stock	64,687	848	68	(4)(10)(12)(15)(16)
Redshift Bioanalytics, Inc.	Warrant	3/23/2022	Preferred Series E	475,510	20	6	(15)
Scynexis, Inc.	Warrant	5/14/2021	Common Stock	106,035	296	28	(4)
TG Therapeutics, Inc.	Warrant	2/28/2019	Common Stock	264,226	1,284	2,583	(4)(10)(12)
Valo Health, LLC	Warrant	6/15/2020	Common Units	102,216	256	153	
X4 Pharmaceuticals, Inc.	Warrant	3/18/2019	Common Stock	1,392,787	510	225	(4)
Subtotal: Drug Discovery & Development (0.46 %)*				7,517		8,302	
Electronics & Computer Hardware							
908 Devices, Inc.	Warrant	3/15/2017	Common Stock	49,078	101	175	(4)
Locus Robotics Corp.	Warrant	6/21/2022	Common Stock	8,503	34	102	
Skydio, Inc.	Warrant	11/8/2021	Common Stock	622,255	557	114	
Subtotal: Electronics & Computer Hardware (0.02 %)*				692		391	
Healthcare Services, Other							
Modern Life, Inc.	Warrant	3/30/2023	Common Stock	37,618	164	165	
Recover Together, Inc.	Warrant	7/3/2023	Common Stock	194,830	382	327	
Strive Health Holdings, LLC	Warrant	9/28/2023	Common Units	51,760	83	95	(15)
Vida Health, Inc.	Warrant	3/28/2022	Common Stock	192,431	121	9	
Subtotal: Healthcare Services, Other (0.03 %)*				750		596	
Information Services							
Capella Space Corp.	Warrant	10/21/2021	Common Stock	176,200	207	33	(15)
INMOBI Inc.	Warrant	11/19/2014	Common Stock	65,587	82	—	(5)(10)
NetBase Solutions, Inc.	Warrant	8/22/2017	Preferred Series 1	60,000	356	362	
Signal Media Limited	Warrant	6/29/2022	Common Stock	113,828	49	91	(5)(10)
Subtotal: Information Services (0.03 %)*				694		486	
Manufacturing Technology							
Bright Machines, Inc.	Warrant	3/31/2022	Common Stock	392,308	537	279	
MacroFab, Inc.	Warrant	3/23/2022	Common Stock	1,111,111	528	677	

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Xometry, Inc.	Warrant	5/9/2018	Common Stock	87,784	\$ 47	\$ 2,044	(4)
Subtotal: Manufacturing Technology (0.17 %)*					1,112	3,000	
Media/Content/Info							
Fever Labs, Inc.	Warrant	12/30/2022	Preferred Series E-1	369,370	67	235	
Subtotal: Media/Content/Info (0.01 %)*					67	235	
Medical Devices & Equipment							
Intuity Medical, Inc.	Warrant	12/29/2017	Preferred Series B-1	3,076,323	294	—	
Outset Medical, Inc.	Warrant	9/27/2013	Common Stock	62,794	401	78	(4)
Senseonics Holdings, Inc.	Warrant	9/8/2023	Common Stock	728,317	200	184	(4)
Tela Bio, Inc.	Warrant	3/31/2017	Common Stock	15,712	61	—	(4)
Subtotal: Medical Devices & Equipment (0.01 %)*					956	262	
Semiconductors							
Achronix Semiconductor Corporation	Warrant	6/26/2015	Preferred Series D-2	750,000	99	811	
Subtotal: Semiconductors (0.04 %)*					99	811	
Software							
Aria Systems, Inc.	Warrant	5/22/2015	Preferred Series G	231,535	74	—	
Automation Anywhere, Inc.	Warrant	9/23/2022	Common Stock	254,778	448	430	
Bitsight Technologies, Inc.	Warrant	11/18/2020	Common Stock	29,691	284	666	
Brain Corporation	Warrant	10/4/2021	Common Stock	194,629	165	47	(15)
CloudBolt Software, Inc.	Warrant	9/30/2020	Common Stock	211,342	117	12	
Cloudian, Inc.	Warrant	11/6/2018	Common Stock	477,454	71	29	
Cloudpay, Inc.	Warrant	4/10/2018	Preferred Series B	6,763	54	844	(5)(10)
Couchbase, Inc.	Warrant	4/25/2019	Common Stock	105,350	462	1,225	(4)
Cutover, Inc.	Warrant	9/21/2022	Common Stock	102,898	26	62	(5)(10)(12)
Dashlane, Inc.	Warrant	3/11/2019	Common Stock	770,838	461	258	
Delphix Corp.	Warrant	10/8/2019	Common Stock	718,898	1,594	3,801	
Demandbase, Inc.	Warrant	8/2/2021	Common Stock	727,047	545	396	
DNAexus, Inc.	Warrant	3/21/2014	Preferred Series C	909,091	97	47	
Dragos, Inc.	Warrant	6/28/2023	Common Stock	49,309	1,452	1,207	
DroneDeploy, Inc.	Warrant	6/30/2022	Common Stock	95,911	278	413	
Eigen Technologies Ltd.	Warrant	4/13/2022	Common Stock	522	8	4	(5)(10)
Elation Health, Inc.	Warrant	9/12/2022	Common Stock	362,837	583	188	
First Insight, Inc.	Warrant	5/10/2018	Preferred Series B	75,917	96	77	
Fulfil Solutions, Inc.	Warrant	7/29/2022	Common Stock	84,995	325	456	
Kore.ai, Inc.	Warrant	3/31/2023	Preferred Series C	64,293	208	243	
Leapwork ApS	Warrant	1/23/2023	Common Stock	39,948	16	35	(5)(10)(12)
Lightbend, Inc.	Warrant	2/14/2018	Preferred Series D	89,685	131	49	
Mixpanel, Inc.	Warrant	9/30/2020	Common Stock	82,362	252	306	
Onna Technologies, Inc.	Warrant	7/5/2023	Common Stock	172,867	60	39	

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Poplicus, Inc.	Warrant	5/28/2014	Common Stock	132,168	\$ —	\$ —	—
Retlio, Inc.	Warrant	6/30/2020	Common Stock	69,120	215	447	
Simon Data, Inc.	Warrant	3/22/2023	Common Stock	77,934	96	76 (12)	
SingleStore, Inc.	Warrant	4/28/2020	Preferred Series D	312,596	103	386	
Sisense Ltd.	Warrant	6/8/2023	Ordinary Shares	321,956	174	128 (5)(10)	
Suzy, Inc.	Warrant	8/24/2023	Common Stock	292,936	367	354 (15)	
The Faction Group LLC	Warrant	11/3/2014	Preferred Series AA	8,076	234	904	
Tipalti Solutions Ltd.	Warrant	3/22/2023	Ordinary Shares	254,877	174	234 (5)(10)	
VideoAmp, Inc.	Warrant	1/21/2022	Common Stock	152,048	1,275	186 (15)	
Subtotal: Software (0.75 %)*					10,445	13,549	
Surgical Devices							
TransMedics Group, Inc.	Warrant	9/11/2015	Common Stock	14,440	39	676 (4)	
Subtotal: Surgical Devices (0.04 %)*					39	676	
Sustainable and Renewable Technology							
Ampion, PBC	Warrant	4/15/2022	Common Stock	18,472	52	36	
Halio, Inc.	Warrant	4/22/2014	Preferred Series A	325,000	155	36	
	Warrant	4/7/2015	Preferred Series B	131,883	63	11	
Total Halio, Inc.				456,883	218	47	
Polyera Corporation	Warrant	3/24/2015	Preferred Series C	150,036	269	—	
Subtotal: Sustainable and Renewable Technology (0.00 %)*				539	83		
Total: Warrant Investments (1.88 %)*				\$ 28,954	\$ 33,969		
Total: Investments in Securities (179.92 %)*				\$ 3,242,550	\$ 3,243,438		
Investment Funds & Vehicles Investments							
Drug Discovery & Development							
Forbion Growth Opportunities Fund I	Investment Funds & Vehicles	11/16/2020			\$ 3,783	\$ 3,619 (5)(10)(17)	
C.V.							
Forbion Growth Opportunities Fund II	Investment Funds & Vehicles	6/23/2022			319	611 (5)(10)(17)	
C.V.							
Subtotal: Drug Discovery & Development (0.23 %)*					4,102	4,230	
Software							
Investment Funds &							
Liberty Zim Co-Invest L.P.	Vehicles	7/21/2022			381	378 (5)(10)	
Subtotal: Software (0.02 %)*					381	378	
Total: Investment Funds & Vehicles Investments (0.26 %)*					\$ 4,483	\$ 4,608	
Total: Investments before Cash and Cash Equivalents (180.18 %)*					\$ 3,247,033	\$ 3,248,046	

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2023
(dollars in thousands)

Portfolio Company	Type of Investment	Acquisition Date ⁽⁴⁾	Series ⁽³⁾	Shares	Cost ⁽²⁾	Value	Footnotes
Cash & Cash Equivalents							
GS Financial Square Government Fund	Cash & Cash Equivalents		FGTXX/38141W273		\$ 56,000	\$ 56,000	
Total: Investments in Cash & Cash Equivalents (3.11 %)*					\$ 56,000	\$ 56,000	
Total: Investments after Cash & Cash Equivalents (183.28 %)*					\$ 3,303,033	\$ 3,304,046	

Foreign Currency Forward Contracts

Foreign Currency	Settlement Date	Counterparty	Amount	Transaction	US \$ Notional Value at Settlement Date	Value
Great British Pound (GBP)	6/3/2024	Goldman Sachs Bank USA	£ 19,288	Sold	\$ 23,810	\$ (766)
Total: Total Foreign Currency Forward ((0.04 %)*					\$ 23,810	\$ (766)

* Value as a percent of net assets. All amounts are stated in U.S. Dollars unless otherwise noted. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.

(1) Prime represents 8.50 % as of December 31, 2023. 1-month SOFR, 3-month SOFR, and 6-month SOFR represent, 5.34 %, 5.36 %, and 5.35 %, respectively, as of December 31, 2023.

(2) Gross unrealized appreciation, gross unrealized depreciation, and net unrealized appreciation for federal income tax purposes totaled \$ 118.3 million, \$ 115.9 million, and \$ 2.4 million, respectively. The tax cost of investments is \$ 3.2 billion.

(3) Preferred and common stock, warrants, and equity interests are generally non-income producing.

(4) Except for warrants in 24 publicly traded companies and common stock in 36 publicly traded companies, all investments are restricted as of December 31, 2023 and were valued at fair value using Level 3 significant unobservable inputs as determined in good faith by the Company's Valuation Committee and approved by the Board.

(5) Non-U.S. company or the company's principal place of business is outside the United States.

(6) [Reserved]

(7) Control investment as defined under the 1940 Act in which Hercules owns at least 25% of the company's voting securities or has greater than 50% representation on its board.

(8) Debt is on non-accrual status as of December 31, 2023, and is therefore considered non-income producing.

(9) Denotes that all or a portion of the debt investment is convertible debt.

(10) Indicates assets that the Company deems not "qualifying assets" under section 55(a) of 1940 Act. Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets.

(11) Denotes that all or a portion of the debt investment is pledged as collateral under the SMBC Facility (as defined in "Note 5 — Debt").

(12) Denotes that all or a portion of the investment is pledged as collateral under the MUFG Bank Facility (as defined in "Note 5 — Debt").

(13) Denotes that all or a portion of the debt investment secures the 2031 Asset-Backed Notes (as defined in "Note 5 — Debt").

(14) Denotes that all or a portion of the debt investment principal includes accumulated PIK interest and is net of repayments.

(15) Denotes that all or a portion of the investment in this portfolio company is held by Hercules Capital IV, L.P., the Company's wholly owned small business investment company.

(16) Denotes that the fair value of the Company's total investments in this portfolio company represent greater than 5% of the Company's total net assets as of December 31, 2023.

(17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company as of December 31, 2023. Refer to "Note 11 — Commitments and Contingencies".

(18) Denotes unitranche debt with first lien "last-out" senior secured position and security interest in all assets of the portfolio company whereby the "last-out" portion will be subordinated to the "first-out" portion in a liquidation, sale or other disposition.

(19) Denotes second lien senior secured debt.

(20) Gibraltar Acquisition LLC is a wholly-owned subsidiary, which is the holding company for their wholly-owned affiliated portfolio companies, Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC.

(21) Denotes investment in a non-voting security in the form of a promissory note. The terms of the notes provide the Company with a lien on the issuers' shares of Common Stock in the portfolio company Black Crow AI, Inc., subject to release upon repayment of the outstanding balance of the notes. As of December 31, 2023, the Black Crow AI, Inc. affiliates promissory notes had an outstanding balance of \$ 2.4 million.

(22) Denotes the security holds rights to royalty fee income associated with certain products of the portfolio company. The approximate cost and fair value of the royalty contract are \$ 12.0 million and \$ 9.4 million, respectively.

(23) Hercules Adviser LLC is owned by Hercules Capital Management LLC and presented with Hercules Partner Holdings, LLC which are both wholly owned by the Company. Please refer to "Note 1" for additional disclosure.

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Hercules Capital, Inc. (the "Company") is a specialty finance company focused on providing senior secured loans to high-growth, innovative venture capital-backed and institutional-backed companies in a variety of technology and life sciences industries. The Company sources its investments through its principal office located in San Mateo, CA, as well as through its additional offices in Boston, MA, New York, NY, San Diego, CA, Denver, CO, and London, United Kingdom. The Company was incorporated under the General Corporation Law of the State of Maryland in December 2003.

The Company is an internally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). Effective January 1, 2006, the Company elected to be treated for U.S. federal income tax purposes as a regulated investment company ("RIC") under Subchapter M Part I of the Internal Revenue Code of 1986, as amended (the "Code") (see "Note 6 – Income Taxes").

The Company is not registered with the Commodity Futures Trading Commission ("CFTC"). The Company has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act ("CEA"), pursuant to Rule 4.5 under the CEA. Therefore, the Company is not subject to registration or regulation as a "commodity pool operator" under the CEA.

Hercules Capital IV, L.P. ("HC IV") and Hercules SBIC V, L.P. ("SBIC V") are our wholly owned Delaware limited partnerships that were formed in December 2010 and September 2023, respectively. HC IV and SBIC V have each received licenses to operate as a Small Business Investment Company ("SBIC") under the authority of the Small Business Administration ("SBA") on October 27, 2020 and July 9, 2024, respectively. Our SBICs are subject to a variety of regulations concerning, among other things, the size and nature of the companies in which they may invest and the structure of those investments. Hercules Technology SBIC Management, LLC ("HTM"), is a wholly owned limited liability company subsidiary of the Company, which was formed in November 2003 and serves as the general partner of HC IV and SBIC V.

The Company has also established certain wholly owned subsidiaries, all of which are structured as Delaware corporations or limited liability companies ("LLCs"), to hold portfolio companies organized as LLCs (or other forms of pass-through entities). These subsidiaries are consolidated for financial reporting purposes in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Certain of the subsidiaries are taxable and not consolidated with Hercules for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities as a result of their ownership of certain portfolio investments.

The Company formed Hercules Capital Management LLC and Hercules Adviser LLC in 2020 as wholly owned Delaware limited liability subsidiaries. The Company was granted no-action relief by the staff of the Securities and Exchange Commission ("SEC") to allow Hercules Adviser LLC (the "Adviser Subsidiary") to register as a registered investment adviser under the Investment Advisers Act of 1940, as amended ("Advisers Act"). The Adviser Subsidiary provides investment advisory and related services to investment vehicles ("Adviser Funds") owned by one or more unrelated third-party investors ("External Parties"). The Adviser Subsidiary is owned by Hercules Capital Management LLC and collectively held and presented with Hercules Partner Holdings, LLC, which separately wholly owns the general partnership interests to each of the Adviser Funds.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S GAAP and pursuant to Regulation S-X. The Company's functional currency is U.S. dollars ("USD") and these consolidated financial statements have been prepared in that currency.

As an investment company, the Company follows accounting and reporting guidance as set forth in Topic 946, Financial Services – Investment Companies ("ASC Topic 946") of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification, as amended ("ASC"). As provided under Regulation S-X and ASC Topic 946, the Company will not consolidate its investment in a portfolio company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Rather, an investment company's interest in portfolio companies that are not investment companies should be measured at fair value in accordance with ASC Topic 946. The Adviser Subsidiary is not an investment company as defined in ASC Topic 946 and further, the Adviser Subsidiary provides investment advisory services exclusively to the Adviser Funds which are owned

by External Parties. As such, pursuant to ASC Topic 946, the Adviser Subsidiary is accounted for as a portfolio investment of the Company held at fair value and is not consolidated.

Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income, expenses, gains and losses during the reported periods. Changes in the economic and regulatory environment, financial markets, the credit worthiness of our portfolio companies, other macro-economic developments (for example, global pandemics, natural disasters, terrorism, international conflicts and war), and any other parameters used in determining these estimates and assumptions could cause actual results to differ from these estimates and assumptions.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company, its consolidated subsidiaries, and all Variable Interest Entities ("VIE") of which the Company is the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation.

A VIE is an entity that either (i) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (ii) has equity investors who lack the characteristics of a controlling financial interest. The primary beneficiary of a VIE is the party with both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb the losses or the right to receive benefits that could be significant to the VIE.

To assess whether the Company has the power to direct the activities of a VIE that most significantly impact its economic performance, the Company considers all the facts and circumstances including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes identifying the activities that most significantly impact the VIE's economic performance and identifying which party, if any, has power over those activities. In general, the party that makes the most significant decisions affecting the VIE is determined to have the power to direct the activities of a VIE. To assess whether the Company has the obligation to absorb the losses or the right to receive benefits that could potentially be significant to the VIE, the Company considers all of its economic interests, including debt and equity interests, servicing rights and fee arrangements, and any other variable interests in the VIE. If the Company determines that it is the party with the power to make the most significant decisions affecting the VIE, and the Company has a potentially significant interest in the VIE, then it consolidates the VIE.

The Company performs periodic reassessments, usually quarterly, of whether it is the primary beneficiary of a VIE. The reassessment process considers whether the Company has acquired or divested the power to direct the activities of the VIE through changes in governing documents or other circumstances. The Company also reconsiders whether entities previously determined not to be VIEs have become VIEs, based on certain events, and therefore are subject to the VIE consolidation framework.

The Company's Consolidated Financial Statements included the accounts of the securitization trust, a VIE, formed in 2022 in conjunction with the issuance of the 2031 Asset-Backed Notes (as defined in "Note 5 – Debt"). The assets of the Company's securitization VIE are restricted to be used to settle obligations of its consolidated securitization VIE, which are disclosed parenthetically on the Consolidated Statements of Assets and Liabilities. The liabilities are the only obligations of its consolidated securitization VIE, and the creditors (or beneficial interest holders) do not have recourse to the Company's general credit.

Fair Value Measurements

The Company follows guidance in Accounting Standards Codification Topic 820, Fair Value Measurement ("ASC Topic 820"), where fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a framework for measuring the fair value of assets and liabilities and outlines a three-tier hierarchy which maximizes the use of observable market data input and minimizes the use of unobservable inputs to establish a classification of fair value measurements. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as the risk inherent in a particular valuation technique used to measure fair value using a pricing model and/or the risk inherent in the inputs for the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available. The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities. ASC Topic 820 also requires disclosure for fair value measurements based on the level within the hierarchy of the information used in the valuation. ASC Topic 820 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value.

The Company categorizes all investments recorded at fair value in accordance with ASC Topic 820 based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC Topic 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at Level 1 fair value generally are equities listed in active markets.

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset in connection with market data at the measurement date and for the extent of the instrument's anticipated life. Fair valued assets that are generally included in this category are publicly held debt investments and warrants held in a public company.

Level 3—Inputs reflect management's best estimate of what market participants would use in pricing the asset at the measurement date. It includes prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Generally, assets carried at fair value and included in this category are the debt investments and warrants and equities held in a private company.

Valuation of Investments

The most significant estimate inherent in the preparation of the Company's consolidated financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded.

Pursuant to Rule 2a-5 of the 1940 Act, the Board has designated the Company's Valuation Committee as the "valuation designee". As of December 31, 2024, approximately 95.5 % of the Company's total assets represented investments in portfolio companies whose fair value is determined in good faith by the Company's Valuation Committee and approved by the Board. Fair Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Valuation Committee, as valuation designee of the Board. The Company's investments are carried at fair value in accordance with Rule 2a-5 under the 1940 Act and ASC Topic 946. Given the Company's investment strategy, nature of investments, and types of businesses in which it invests, substantially all of the Company's investments are considered Level 3 assets under ASC Topic 820 because there generally is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, the Company values substantially all of its investments at fair value as determined in good faith pursuant to the valuation guidelines approved by the Board in accordance with the provisions of ASC Topic 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market values, the fair value of the Company's investments may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

In accordance with procedures approved by its Board, the Company values investments on a quarterly basis following a multistep valuation process. The quarterly Board approved multi-step valuation process is described below:

- (1) The Company's quarterly valuation process begins with each portfolio company being initially valued by the investment professionals responsible for the portfolio investment;
- (2) Preliminary valuation conclusions and business-based assumptions, along with any applicable fair value marks provided by an independent firm, are reviewed with the Company's investment committee and certain member(s) of credit group as necessary;
- (3) The Valuation Committee reviews the preliminary valuations recommended by the investment committee and certain member(s) of the credit group of each investment in the portfolio and determines the fair value of each investment in the Company's portfolio in good faith and recommends the valuation determinations to the Audit Committee of the Board;
- (4) The Audit Committee of the Board provides oversight of the quarterly valuation process in accordance with Rule 2a-5, which includes a review of the quarterly reports prepared by the Valuation Committee, reviews the fair valuation determinations made by the Valuation Committee, and approves such valuations for inclusion in public reporting and disclosures, as appropriate; and
- (5) The Board, upon the recommendation of the Audit Committee, discusses valuations and approves the fair value of each investment in the Company's portfolio.

Investments purchased within the preceding two calendar quarters before the valuation date and debt investments with remaining maturities within 12 months or less may each be valued at cost with interest accrued or discount accreted/premium amortized to the date of maturity, unless such valuation, in the judgment of the Company, does not represent fair value. In this case such investments shall be valued at fair value as determined in good faith by the Valuation Committee and approved by the Board. Investments that are not publicly traded or whose market quotations are not readily available

are valued at fair value as determined in good faith by the Valuation Committee subject to oversight and approval of the Board.

As part of the overall process noted above, the Company engages one or more independent valuation firm(s) to provide management with assistance in determining the fair value of selected portfolio investments each quarter. In selecting which portfolio investments to engage an independent valuation firm, the Company considers a number of factors, including, but not limited to, the potential for material fluctuations in valuation results, size, credit quality, and the time lapse since the last valuation of the portfolio investment by an independent valuation firm. The scope of services rendered by the independent valuation firm is at the discretion of the Valuation Committee and subject to approval of the Board, and the Company may engage an independent valuation firm to value all or some of our portfolio investments.

In determining the fair value of a portfolio investment in good faith, the Company recognizes these determinations are made using the best available information that is knowable or reasonably knowable. In addition, changes in the market environment, portfolio company performance and other events that may occur over the duration of the investments may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. The change in fair value of each individual investment is recorded as an adjustment to the investment's fair value and the change is reflected in unrealized appreciation or depreciation.

The Company records unrealized depreciation on investments when it believes that an investment has decreased in value, including where it believes collection of a debt investment is doubtful or, if under the in-exchange premise, when it believes the value of a debt investment is less than the amortized cost of the investment. Conversely, where appropriate, the Company records unrealized appreciation if it believes that the underlying portfolio company has appreciated in value and, therefore, that its investment has also appreciated in value or, if it believes, under the in-exchange premise, the value of an investment is greater than its amortized cost.

Debt Investments

The Company's debt investments are substantially considered Level 3 assets under ASC Topic 820 with fair value as determined in good faith pursuant to the process described above. In making a good faith determination of the value of the Company's investments, the Company generally starts with the cost basis of the investment, which includes the value attributed to the original issue discount ("OID"), if any, and payment-in-kind ("PIK") interest or other receivables which have been accrued as earned. The Company then applies the valuation methods as set forth below.

The Company assumes the sale of each debt security in a hypothetical market to a hypothetical market participant where buyers and sellers are willing participants. The hypothetical market does not include scenarios where the underlying security was simply repaid or extinguished, but includes an exit concept. The Company determines the yield at inception for each debt investment. The Company then uses senior secured, leveraged loan yields provided by third party providers to calibrate the change in market yields between inception of the debt investment and the measurement date. Industry specific indices and other relevant market data are used to benchmark and assess market-based movements for reasonableness. As part of determining the fair value, the Company also evaluates the collateral for recoverability of the debt investments. The Company considers each portfolio company's credit rating, security liens and other characteristics of the investment to adjust the baseline yield to derive a credit adjusted hypothetical yield for each investment as of the measurement date. The anticipated future cash flows from each investment are then discounted at the hypothetical yield to estimate each investment's fair value as of the measurement date. The Company's process includes an analysis of, among other things, the underlying investment performance, the current portfolio company's financial condition and market changing events that impact valuation, estimated remaining life, current market yield and interest rate spreads of similar securities as of the measurement date.

The Company values debt securities that are traded on a public exchange at the prevailing market price as of the valuation date. Certain debt investments may be syndicated, for which sufficient market data is available and liquidity, the Company values debt securities using broker quotes and bond indices amongst other factors. Debt investments with market quotations are generally considered Level 1 or 2 assets in line with ASC Topic 820. If there is a significant deterioration of the credit quality of a debt investment, the Company may consider other factors to estimate fair value, including the proceeds that would be received in a liquidation analysis.

When originating a debt instrument, the Company generally receives warrants or other equity securities from the borrower. The Company determines the cost basis of the warrants or other equity securities received based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt and warrants or other equity securities received. Any resulting discount on the debt investments from recording warrant or other equity instruments is accreted into interest income over the life of the debt investment.

Equity Securities and Warrants

Securities that are traded in the over-the-counter markets or on a stock exchange will be valued at the prevailing bid price at period end. The Company has a limited amount of equity securities in public companies. In accordance with the 1940 Act, unrestricted publicly traded securities for which market quotations are readily available are valued at the closing market quote on the measurement date.

At each reporting date, privately held warrant and equity securities are valued based on an analysis of various factors including, but not limited to, the portfolio company's operating performance and financial condition, general market conditions, price to enterprise value or price to equity ratios, discounted cash flow, valuation comparisons to comparable public companies or other industry benchmarks. When an external event occurs, such as a purchase transaction, public offering, or subsequent equity sale, the pricing indicated by that external event is utilized to corroborate the Company's valuation of the warrant and equity securities. The Company periodically reviews the valuation of its portfolio companies that have not been involved in a qualifying external event to determine if the enterprise value of the portfolio company may have increased or decreased since the last valuation measurement date. Absent a qualifying external event, the Company estimates the fair value of warrants using a Black Scholes OPM. For certain privately held equity securities, the income approach is used, in which the Company converts future amounts (for example, cash flows or earnings) to a net present value. The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Company may take into account include, as relevant: applicable market yields and multiples, the portfolio company's capital structure, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, and enterprise value among other factors.

Investment Funds & Vehicles

The Company applies the practical expedient provided by the ASC Topic 820 relating to investments in certain entities that calculate net asset value ("NAV") per share (or its equivalent). ASC Topic 820 permits an entity holding investments in certain entities that either are investment companies, or have attributes similar to an investment company, and calculate NAV per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that NAV per share, or its equivalent, without adjustment. Investments which are valued using NAV per share as a practical expedient are not categorized within the fair value hierarchy as per ASC Topic 820.

Derivative Instruments

The Company's derivative instruments include foreign currency forward contracts. The Company recognizes all derivative instruments as assets or liabilities at fair value in its consolidated financial statements. Derivative contracts entered into by the Company are not designated as hedging instruments, and as a result, the Company presents changes in fair value through net change in unrealized appreciation (depreciation) on non-control/non-affiliate investments in the Consolidated Statements of Operations. Realized gains and losses of the derivative instruments are included in net realized gains (losses) on non-control/non-affiliate investments in the Consolidated Statements of Operations. The net cash flows realized on settlement of derivatives are included in realized (gain) loss in the Consolidated Statements of Cash Flows.

Cash, Cash Equivalents, Foreign Cash, and Restricted Cash

Cash and cash equivalents consist solely of funds deposited with financial institutions and short-term liquid investments in money market deposit accounts. Cash and cash equivalents are carried at cost, which approximates fair value. Foreign cash includes the value of foreign currencies held and translated using the prevailing foreign exchange rates on the reporting date. Restricted cash includes amounts that are held as collateral securing certain of the Company's financing transactions, including amounts held in a securitization trust by trustees related to its 2031 Asset-Backed Notes (refer to "Note 5 – Debt").

Foreign Currency Translation

The accounting records of the Company are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the prevailing foreign exchange rate on the reporting date. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. The Company's investments in foreign securities may involve certain risks, including foreign exchange restrictions, expropriation, taxation or other political, social or economic risks, all of which could affect the market and/or credit risk of the investment. In addition,

changes in the relationship of foreign currencies to the U.S. dollar can significantly affect the value of these investments and therefore the earnings of the Company.

Other Assets

Other assets generally consist of prepaid expenses, debt issuance costs related to our Credit Facilities net of accumulated amortization, fixed assets net of accumulated depreciation, deferred revenues and deposits and other assets, including escrow and other investment related receivables.

Escrow Receivables

Escrow receivables are collected in accordance with the terms and conditions of the escrow agreement. Escrow balances are typically distributed over a period greater than one year and may accrue interest during the escrow period. Escrow balances are measured for collectability on at least a quarterly basis and fair value is determined based on the amount of the estimated recoverable balances and the contractual maturity date.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets, and operating lease liability obligations in our Consolidated Statements of Assets and Liabilities. The Company recognizes a ROU asset and an operating lease liability for all leases, with the exception of short-term leases which have a term of 12 months or less. ROU assets represent the right to use an underlying asset for the lease term and operating lease liability obligations represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term. The Company has lease agreements with lease and non-lease components and has separated these components when determining the ROU assets and the related lease liabilities. As most of the Company's leases do not provide an implicit rate, the Company estimated its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The ROU asset also includes any lease payments made and excludes lease incentives and lease direct costs. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense is recognized on a straight-line basis over the lease term. See "Note 11 – Commitments and Contingencies".

Investment Income Recognition

The Company's investment portfolio generates interest, fee, and dividend income. The Company records interest income on an accrual basis, recognizing income as earned in accordance with the contractual terms of the loan agreement, to the extent that such amounts are expected to be collected. The Company's Structured Debt investments may generate OID related income. "Structured Debt" refers to a debt investment that is structured with an equity, warrant, option, or other right to purchase or convert into common or preferred equity investments. The OID recorded upfront typically represents the value of detachable equity, warrants, or another asset obtained in conjunction with the acquisition of debt securities. The OID value is accreted into interest income over the term of the loan as a yield enhancement following the effective interest method. Additionally, certain debt investments in the Company's portfolio earn PIK interest. The Company records PIK interest in accordance with the contractual terms of the loan agreement, to the extent that such amounts are expected to be collected. Contractual PIK interest represents contractually deferred interest that is added to the loan balance as principal and is generally due at the end of the loan term.

Additionally, the Company's loan origination activities generate fee income, which is generally collected in advance and includes loan commitment, facility fees for due diligence and structuring, as well as fees for transaction services and management services rendered by the Company to portfolio companies and other third parties. Loan commitment and facility fees are capitalized and then amortized into income over the contractual life of the loan using the effective interest method. One-off fees for transaction and management services are generally recognized as income in the period when the services are rendered. The Company may also earn loan exit fees, which are contractual fees that are generally received upon the earlier of maturity or prepayment. The Company accretes loan exit fees into interest income following the effective interest method, recognizing income as earned in accordance with the contractual terms of the loan agreement, to the extent that such amounts are expected to be collected.

From time to time, additional fees may be earned by the Company relating to specific loan modifications, prepayments, or other one-off events. These non-recurring fees are either amortized into fee income over the remaining term of the loan commencing in the quarter for loan modifications, or recognized currently as one-time fee income for items such as prepayment penalties, fees related to select covenant default waiver fees, and acceleration of previously deferred loan fees and OID related to early loan pay-off or material modification of the specific debt outstanding.

Debt investments are placed on non-accrual status when it is probable that principal, interest or fees will not be collected according to contractual terms. When a debt investment is placed on non-accrual status, the Company ceases to recognize interest and fee income until the portfolio company has paid all principal and interest due or demonstrated the ability to repay its current and future contractual obligations to the Company. The Company may determine to continue to accrue interest on a loan where the investment has sufficient collateral value to collect all of the contractual amount due and is in the process of collection. Interest collected on non-accrual investments are generally applied to principal.

Dividend income is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies to the extent that such amounts are payable by the portfolio company and are expected to be collected.

Realized Gains or Losses

Realized gains or losses are measured by the difference between the net proceeds from the sale or other realization event and the cost basis of the investment using the specific identification method without regard to unrealized appreciation or depreciation previously recognized, and includes investments charged off during the period, net of recoveries.

Secured Borrowings

The Company follows the guidance in ASC Topic 860, Transfers and Servicing ("ASC Topic 860"), when accounting for participation and other partial loan sales. Certain loan sales do not qualify for sale accounting under ASC Topic 860 because these sales do not meet the definition of a "participating interest", as defined in the guidance, in order for sale accounting treatment to be allowed. Participations or other partial loan sales which do not meet the definition of a participating interest, or which are not eligible for sale accounting treatment remain as an investment on the consolidated balance sheet as required under U.S. GAAP and the proceeds are recorded as a secured borrowing. Secured borrowings are carried at fair value.

Equity Offering Expenses

The Company's offering expenses are charged against the proceeds from equity offerings when received as a reduction of capital upon completion of an offering of registered securities.

Debt

The debt of the Company is carried at amortized cost which is comprised of the principal amount borrowed net of any unamortized discount and debt issuance costs. Discounts and issuance costs are accreted to interest expense and loan fees, respectively, using the straight-line method, which closely approximates the effective yield method, over the remaining life of the underlying debt obligations (see "Note 5 - Debt"). Accrued but unpaid interest is included within Accounts payable and accrued liabilities on the Consolidated Statements of Assets and Liabilities. In the event that the debt is extinguished, either partially or in full, before maturity, the Company recognizes the gain or loss in the Consolidated Statements of Operations within net realized gains (losses) as a "Loss on extinguishment of debt".

Debt Issuance Costs

Debt issuance costs are fees and other direct incremental costs incurred by the Company in obtaining debt financing and are recognized as prepaid expenses and amortized over the life of the related debt instrument using the effective yield method or the straight-line method, which closely approximates the effective yield method. In accordance with ASC Subtopic 835-30, Interest – Imputation of Interest, debt issuance costs are presented as a reduction to the associated liability balance on the Consolidated Statements of Assets and Liabilities, except for debt issuance costs associated with line-of-credit arrangements which are included within Other Assets as permitted under GAAP.

Stock-Based Compensation

The Company has issued and may, from time to time, issue stock options, restricted stock, and other stock-based compensation awards to employees and directors. Management follows the guidance set forth under ASC Topic 718, to account for stock-based compensation awards granted. Under ASC Topic 718, compensation expense associated with stock-based compensation is measured at the grant date based on the fair value of the award and is recognized over the vesting period. Determining the appropriate fair value model and calculating the fair value of stock-based awards at the grant date requires judgment. This includes certain assumptions such as stock price volatility, forfeiture rate, expected outcome probability, and expected option life, as applicable to each award. In accordance with ASC Topic 480, certain stock awards are classified as a liability. The compensation expense associated with these awards is recognized in the same manner as all other stock-based compensation. The award liability is recorded as deferred compensation and included in Accounts payable and accrued liabilities.

Income Taxes

The Company accounts for income taxes in accordance with the provisions of ASC Topic 740 Income Taxes, under which income taxes are provided for amounts currently payable and for amounts deferred based upon the estimated future tax effects of differences between the financial statements and tax basis of assets and liabilities given the provisions of the enacted tax law. Valuation allowances may be used to reduce deferred tax assets to the amount likely to be realized.

Because taxable income as determined in accordance with U.S. federal tax regulations differ from U.S. GAAP, taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation, as such gains or losses are not included in taxable income until they are realized. Permanent differences are reclassified among capital accounts in the financial statements to reflect their appropriate tax character. Permanent differences may also result from the change in the classification of certain items, such as the treatment of short-term gains as ordinary income for tax purposes. Temporary differences arise when certain items of income, expense, gains or losses are recognized at some time in the future for tax or U.S. GAAP purposes.

The Company has elected to be treated as a RIC under Subchapter M Part I of the Code. To qualify as a RIC, the Company is required to meet certain income and asset tests in addition to distributing dividends of an amount generally at least equal to 90% of its investment company taxable income, as defined by the Code and determined without regard to any deduction for distributions paid, to its stockholders. See "Certain United States Federal Income Tax Considerations" for additional information.

As a RIC, the Company is subject to a 4% non-deductible U.S. federal excise tax on certain undistributed income unless the Company makes distributions treated as dividends for U.S. federal income tax purposes in a timely manner to its stockholders in respect of each calendar year of an amount at least equal to the sum of (1) 98% of its ordinary income (taking into account certain deferrals and elections) for each calendar year, (2) 98.2% of its capital gain net income (adjusted for certain ordinary losses) for the 1-year period ending October 31 of each such calendar year and (3) any ordinary income and capital gain net income realized, but not distributed, in preceding calendar years. The Company will not be subject to this excise tax on any amount on which the Company incurred U.S. federal income tax (such as the tax imposed on a RIC's retained net capital gains).

The amount to be paid out as a distribution is determined by the Board each quarter and is based upon the annual earnings estimated by the management of the Company. To the extent that the Company's earnings fall below the amount of the dividend distributions declared, however, a portion of the total amount of the Company's distributions for the fiscal year may be deemed a return of capital.

Depending on the level of taxable income earned in a taxable year, the Company may choose to carry over taxable income in excess of current taxable year distributions from such taxable income into the next taxable year and incur a 4% excise tax on such taxable income, as required. The maximum amount of excess taxable income that may be carried over for distribution in the next taxable year under the Code is the total amount of distributions paid in the following taxable year, subject to certain declaration and payment guidelines. To the extent the Company chooses to carry over taxable income into the next taxable year, distributions declared and paid by the Company in a taxable year may differ from the Company's taxable income for that taxable year as such distributions may include the distribution of current taxable year taxable income, the distribution of prior taxable year taxable income carried over into and distributed in the current taxable year, or returns of capital. The Company intends to timely distribute to its stockholders substantially all of its annual taxable income for each year, except that it may retain certain net capital gains for reinvestment and, depending upon the level of taxable income earned in a year, it may choose to carry forward taxable income for distribution in the following year and pay any applicable U.S. federal excise tax.

Earnings Per Share ("EPS")

Basic EPS is calculated by dividing net earnings applicable to common stockholders by the weighted average number of common shares outstanding. Common shares outstanding includes common stock and restricted stock for which no future service is required as a condition to the delivery of the underlying common stock. Diluted EPS includes the determinants of basic EPS and, in addition, reflects the dilutive effect of the common stock deliverable pursuant to stock options and to restricted stock for which future service is required as a condition to the delivery of the underlying common stock. In accordance with ASC 260-10-45-60A, the Company uses the two-class method in the computation of basic EPS and diluted EPS, if applicable.

Comprehensive Income

The Company reports all changes in comprehensive income in the Consolidated Statements of Operations. The Company did not have other comprehensive income for the years ended December 31, 2024, 2023, or 2022. The Company's comprehensive income is equal to its net increase in net assets resulting from operations.

Distributions

Distributions to common stockholders are approved by the Board on a quarterly basis and the distribution payable is recorded on the ex-dividend date. The Company maintains an "opt out" dividend reinvestment plan that provides for reinvestment of the Company's distribution on behalf of the Company's stockholders, unless a stockholder elects to receive cash. As a result, if the Company declares a distribution, cash distributions will be automatically reinvested in additional shares of its common stock unless the stockholder specifically "opts out" of the dividend reinvestment plan and chooses to receive cash distributions.

Segments

The Company has determined that it has a single operating segment in accordance with Topic 280, Segment Reporting ("ASC 280"). Our Chief Executive Officer is the Company's Chief Operating Decision Maker ("CODM"). While the Company lends to and separately evaluates the performance of each portfolio company in which it invests across various technology-related industries including drug discovery and development, software, consumer & business services, and other healthcare services, the Company and the CODM evaluate and monitor performance of the business on an aggregated basis. Further, each investment is evaluated and managed using similar processes and shared operations support functions such as deal origination, underwriting, documentation, loan and compliance administration in addition to administrative functions of human resources, legal, finance and information technology.

The CODM uses our *consolidated net investment income and net increase (decrease) in net assets resulting from operations* as reported in the Consolidated Statements of Operations to assess the Company's performance and when allocating resources. Net Investment Income is comprised of *consolidated total investment income ('segment revenues')* and *consolidated total net operating expenses ('significant segment expenses')*, which are considered the key segment measures of profit or loss received by the CODM. The information and operating expense categories included in the Company's Consolidated Statement of Operations are fully reflective of the significant expense categories and amounts that are regularly provided to the CODM.

3. Fair Value of Financial Instruments

The Company values financial instruments in accordance with ASC 820, using the techniques and approaches outlined in the Company's valuation guidelines, which are approved by the Board. During the fiscal years ended December 31, 2024 and December 31, 2023, there were no changes to the Company's valuation techniques or approaches as described herein.

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with

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precision. Investments measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations as of December 31, 2024 and December 31, 2023.

(in thousands)	Balance as of December 31,	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Description	2024			
Cash and cash equivalents				
Money Market Fund ⁽¹⁾	\$ 21,100	\$ 21,100	\$ —	\$ —
Other assets and liabilities				
Escrow and Other Investment Receivables	\$ 152	\$ —	\$ —	\$ 152
Accounts Payable and Accrued Liabilities	(1,012)	—	—	(1012)
Investments				
Senior Secured Debt	\$ 3,419,044	\$ —	\$ —	\$ 3,419,044
Unsecured Debt	75,557	—	—	75,557
Preferred Stock	53,802	—	—	53,802
Common Stock ⁽²⁾	74,855	30,262	—	44,593
Warrants	30,500	—	8,677	21,823
	\$ 3,653,758	\$ 30,262	\$ 8,677	\$ 3,614,819
Investment Funds & Vehicles measured at Net Asset Value ⁽³⁾	6,220			
Total Investments, at fair value	\$ 3,659,978			
Derivative Instruments ⁽⁴⁾	538			
Total Investments including cash and cash equivalents and derivative instruments	\$ 3,681,616			
(in thousands)	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Description	2023			
Cash and cash equivalents				
Money Market Fund ⁽¹⁾	\$ 56,000	\$ 56,000	\$ —	\$ —
Other assets				
Escrow and Other Investment Receivables	\$ 10,888	\$ —	\$ —	\$ 10,888
Investments				
Senior Secured Debt	\$ 2,987,577	\$ —	\$ —	\$ 2,987,577
Unsecured Debt	69,722	—	—	69,722
Preferred Stock	53,038	—	—	53,038
Common Stock ⁽²⁾	99,132	57,342	—	41,790
Warrants	33,969	—	11,881	22,088
	\$ 3,243,438	\$ 57,342	\$ 11,881	\$ 3,174,215
Investment Funds & Vehicles measured at Net Asset Value ⁽³⁾	4,608			
Total Investments, at fair value	\$ 3,248,046			
Derivative Instruments ⁽⁴⁾	(766)			
Total Investments including cash and cash equivalents and derivative instruments	\$ 3,303,280			

(1) This investment is included in Cash and cash equivalents in the accompanying Consolidated Statements of Assets and Liabilities.

(2) Common Stock includes non-voting security in the form of a promissory note with a lien on shares of issuer's Common Stock.

(3) In accordance with U.S. GAAP, certain investments are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient and are not categorized within the fair value hierarchy as per ASC 820. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying Consolidated Statements of Assets and Liabilities.

(4) Derivative Instruments are carried at fair value and are a Level 2 security within the Company's fair value hierarchy.

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The table below presents a reconciliation of changes for all financial assets and liabilities measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3) for the years ended December 31, 2024 and December 31, 2023.

(in thousands)	Net Change in						Gross Transfers	Gross Transfers	Balance as of	
	Unrealized		Appreciation		Purchases ⁽⁵⁾	Sales				
	Balance as of	Net Realized	(Depreciation) ⁽²⁾			Repayments ⁽⁶⁾	Level 3 ^{(3)*}	Level 3 ^{(3)*}	December 31, 2024	
January 1, 2024	Gains (Losses) ⁽¹⁾									
Investments										
Senior Secured Debt	\$ 2,987,577	\$ (52,120)	\$ (21,146)	\$ 1,475,032	\$ —	\$ (965,924)	\$ —	\$ (4,375)	\$ 3,419,044	
Unsecured Debt	69,722	—	1,277	4,558	—	—	—	—	—	75,557
Preferred Stock	53,038	(711)	(5,709)	4,753	—	—	—	2,431	—	53,802
Common Stock	41,790	(1,453)	(1,506)	4,100	—	—	—	1,662	—	44,593
Warrants	22,088	(648)	(702)	3,914	(2,829)	—	—	—	—	21,823
Other Assets and Liabilities										
Escrow and Other Investment										
Receivables	10,888	89	5,869	47	(18,511)	—	—	1,770	152	
Accounts Payable and Accrued										
Liabilities	—	(10,938)	11,179	1,870	(1,353)	—	(1,770)	—	—	(1,012)
Total	\$ 3,185,103	\$ (65,781)	\$ (10,738)	\$ 1,494,274	\$ (22,693)	\$ (965,924)	\$ 2,323	\$ (2,605)	\$ 3,613,959	

(in thousands)	Net Change in						Gross Transfers	Gross Transfers	Balance as of	
	Unrealized		Appreciation		Purchases ⁽⁵⁾	Sales				
	Balance as of	Net Realized	(Depreciation) ⁽²⁾			Repayments ⁽⁶⁾	Level 3 ^{(3)*}	Level 3 ^{(3)*}	December 31, 2023	
January 1, 2023	Gains (Losses) ⁽¹⁾									
Investments										
Senior Secured Debt	\$ 2,741,388	\$ (5,350)	\$ 17,277	\$ 1,264,689	\$ —	\$ (990,448)	\$ —	\$ (39,979)	\$ 2,987,577	
Unsecured Debt	54,056	—	4,268	11,398	—	—	—	—	—	69,722
Preferred Stock	41,488	(3,441)	(1,123)	2,851	—	—	—	13,263	—	53,038
Common Stock	25,059	—	11,325	6,000	(594)	—	—	—	—	41,790
Warrants	19,419	(4,295)	4,825	3,894	(1,755)	—	—	—	—	22,088
Other Assets										
Escrow and Other Investment										
Receivables	875	65	(17,022)	537	(283)	—	26,716	—	—	10,888
Total	\$ 2,882,285	\$ (13,021)	\$ 19,550	\$ 1,289,369	\$ (2,632)	\$ (990,448)	\$ 39,979	\$ (39,979)	\$ 3,185,103	

* The Company recognizes transfers as of the transaction date.

- (1) Included in net realized gains (losses) in the accompanying Consolidated Statements of Operations.
- (2) Included in net change in unrealized appreciation (depreciation) in the accompanying Consolidated Statements of Operations.
- (3) Transfers out of Level 3 during the year ended December 31, 2024 related to the conversion of the Company's Level 3 debt investments in Better Therapeutics, Inc. and Eigen Technologies Ltd. into common stock and preferred stock Level 3 investments in acquiring companies.
- (4) Transfers within Level 3 during the year ended December 31, 2023 related to the conversion of Level 3 debt investments into Level 3 preferred stock investments and other assets.
- (5) Amounts listed above are inclusive of loan origination fees received at the inception of the loan which are deferred and amortized into fee income as well as the accretion of existing loan discounts and fees during the period. Escrow receivable purchases may include additions due to proceeds held in escrow from the liquidation of level 3 investments. Amounts are net of purchases assigned to the Adviser Funds.
- (6) Amounts listed above include the acceleration and payment of loan discounts and loan fees due to early payoffs or restructures along with regularly scheduled amortization.

The following table presents the net unrealized appreciation (depreciation) recorded for debt, preferred stock, common stock and warrant Level 3 investments relating to assets still held at the reporting date.

(in millions)	Year Ended December 31,	
	2024	2023
Debt investments	\$ (44.2)	\$ 11.5
Preferred stock	(5.9)	(4.6)
Common stock	(2.4)	11.3
Warrant investments	0.7	1.5

The following tables provide quantitative information about the Company's Level 3 fair value measurements as of December 31, 2024 and December 31, 2023. In addition to the techniques and inputs noted in the tables below, according

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to the Company's valuation guidelines, the Company may also use other valuation techniques and methodologies when determining the Company's fair value measurements. The tables below are not intended to be all-inclusive, but rather provide information on the significant Level 3 inputs as they relate to the Company's fair value measurements. See the accompanying Consolidated Schedule of Investments for the fair value of the Company's investments. The methodology for the determination of the fair value of the Company's investments is discussed in "Note 2 – Summary of Significant Accounting Policies". The significant unobservable input used in the fair value measurement of the Company's escrow receivables is the amount recoverable at the contractual maturity date of the escrow receivable.

Investment Type - Level 3	Fair Value as of December 31,		Valuation Techniques/Methodologies	Unobservable Input ⁽¹⁾	Range	Weighted Average ⁽²⁾
	2024	(in thousands)				
Debt Investments	\$ 947,065		Market Comparable Companies	Hypothetical Market Yield	8.42 % - 16.19 %	12.03 %
		55,344	Liquidation ⁽³⁾	Premium/(Discount)	(2.50 %) - 3.00 %	0.13 %
				Probability weighting of alternative outcomes	20.00 % - 80.00 %	75.53 %
Technology	1,365,943		Market Comparable Companies	Hypothetical Market Yield	10.21 % - 20.58 %	13.10 %
		26,869	Convertible Note Analysis	Premium/(Discount)	(0.75 %) - 4.50 %	0.20 %
		51,004	Liquidation ⁽³⁾	Probability weighting of alternative outcomes	1.00 % - 70.00 %	50.66 %
				Probability weighting of alternative outcomes	22.00 % - 78.00 %	66.34 %
Sustainable and Renewable Technology	21,102		Market Comparable Companies	Hypothetical Market Yield	12.41 % - 15.44 %	15.25 %
				Premium/(Discount)	0.25 % - 3.50 %	0.45 %
Medical Devices	59,645		Market Comparable Companies	Hypothetical Market Yield	11.79 % - 12.75 %	12.24 %
				Premium/(Discount)	0.00 % - 0.50 %	0.26 %
Lower Middle Market	636,258		Market Comparable Companies	Hypothetical Market Yield	10.27 % - 21.00 %	14.12 %
				Premium/(Discount)	(0.25 %) - 5.00 %	1.07 %
Debt Investments for which Cost Approximates Fair Value						
	242,833		Debt Investments originated within 6 months			
	4,141		Imminent Payoffs ⁽⁴⁾			
	36,185		Debt Investments Maturing in Less than One Year			
			Debt Investments in Wholly-Owned Subsidiaries			
	48,212					
	\$ 3,494,601		Total Level 3 Debt Investments			
Accounts Payable and Accrued Liabilities				Probability weighting of alternative outcomes	20.00 % - 50.00 %	38.44 %
	(1,012)		Liquidation ⁽³⁾			
	\$ 3,493,589		Total Level Three Debt Investments and Other Investment Receivables (Payables)			

(1) The significant unobservable inputs used in the fair value measurement of the Company's debt securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums/(discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation may result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment.

Debt investments in the industries noted in the Company's Consolidated Schedule of Investments are included in the industries noted above as follows:

- Pharmaceuticals, above, is comprised of debt investments in the "Drug Discovery & Development" and "Healthcare Services, Other" industries.
- Technology, above, is comprised of debt investments in the "Communications & Networking", "Information Services", "Consumer & Business Services", "Media/Content/Info", "Space Technologies", and "Software" industries.
- Sustainable and Renewable Technology, above, is comprised of debt investments in the "Sustainable and Renewable Technology" industry.

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- Medical Devices, above, is comprised of debt investments in the "Medical Devices & Equipment" industry.
- Lower Middle Market, above, is comprised of debt investments in the "Healthcare Services – Other", "Consumer & Business Services", "Diversified Financial Services", "Sustainable and Renewable Technology", and "Software" industries.

(2) The weighted averages are calculated based on the fair market value of each investment.

(3) The significant unobservable input used in the fair value measurement of impaired debt securities and other investment receivables (payables) is the probability weighting of alternative outcomes.

(4) Imminent Payoffs represent debt investments that the Company expects to be fully repaid within the next three months, prior to their scheduled maturity date.

Fair Value as of December 31, 2023					
Investment Type - Level 3	2023	Debt Investments	(in thousands)	Valuation Techniques/Methodologies	Weighted Average ⁽²⁾
Pharmaceuticals	\$ 971,775		8,455	Market Comparable Companies	Hypothetical Market Yield
				Premium/(Discount)	(1.00 %) - 3.50 %
				Probability weighting of alternative outcomes	10.00 % - 50.00 %
Technology	1,181,823	Market Comparable Companies	23,244	Hypothetical Market Yield	11.30 % - 20.74 %
				Premium/(Discount)	(1.00 %) - 5.00 %
		Convertible Note Analysis		Probability weighting of alternative outcomes	1.00 % - 50.00 %
		—	—	Probability weighting of alternative outcomes	100.00 % - 100.00 %
Sustainable and Renewable Technology	1,678	Market Comparable Companies		Hypothetical Market Yield	10.75 % - 10.75 %
				Premium/(Discount)	0.75 % - 0.75 %
					0.75 %
Lower Middle Market	322,162	Market Comparable Companies		Hypothetical Market Yield	12.54 % - 20.15 %
				Premium/(Discount)	(0.75 %) - 2.25 %
					0.56 %
Debt Investments for which Cost Approximates Fair Value					
	431,512	Debt Investments originated within 6 months			
	54,430	Imminent Payoffs ⁽⁴⁾			
	62,220	Debt Investments Maturing in Less than One Year			
	\$ 3,057,299	Total Level 3 Debt Investments			
Other Investment Receivables	9,648	Liquidation ⁽³⁾		Probability weighting of alternative outcomes	10.00 % - 50.00 %
	\$ 3,066,947				
Total Level Three Debt Investments and Other Investment Receivables					

(1) The significant unobservable inputs used in the fair value measurement of the Company's debt securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums/(discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation may result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment.

Debt investments in the industries noted in the Company's Consolidated Schedule of Investments are included in the industries noted above as follows:

- Pharmaceuticals, above, is comprised of debt investments in the "Drug Discovery & Development" and "Healthcare Services, Other" industries.
- Technology, above, is comprised of debt investments in the "Communications & Networking", "Information Services", "Consumer & Business Services", "Media/Content/Info" and "Software" industries.
- Sustainable and Renewable Technology, above, is comprised of debt investments in the "Sustainable and Renewable Technology" industry.
- Lower Middle Market, above, is comprised of debt investments in the "Healthcare Services – Other", "Consumer & Business Services", "Diversified Financial Services", "Sustainable and Renewable Technology", and "Software" industries.

(2) The weighted averages are calculated based on the fair market value of each investment.

(3) The significant unobservable input used in the fair value measurement of impaired debt securities and other investment receivables is the probability weighting of alternative outcomes.

(4) Imminent payoffs represent debt investments that the Company expects to be fully repaid within the next three months, prior to their scheduled maturity date.

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Investment Type - Level 3	2024	Fair Value as of December 31,			
		Methodologies	Unobservable Input ⁽¹⁾	Range	Weighted Average ⁽⁵⁾
Equity and Warrant Investments	\$ 45,420	Market Comparable Companies	Revenue Multiple ⁽²⁾	0.4 x - 16.8 x	9.1 x
			Tangible Book Value Multiple ⁽²⁾	1.7 x - 1.7 x	1.7 x
			Discount for Lack of Marketability ⁽³⁾	17.64 % - 92.80 %	36.12 %
		12,374 Market Adjusted OPM Backsolve	Market Equity Adjustment ⁽⁴⁾	(96.57 %) - 24.76 %	(17.57 %)
Warrant Investments	\$ 18,302	Market Comparable Companies	Discount Rate ⁽⁷⁾	12.17 % - 33.34 %	30.21 %
			Other ⁽⁶⁾		
		34,677 Market Adjusted OPM Backsolve	Market Equity Adjustment ⁽⁴⁾	(56.36 %) - 24.76 %	1.33 %
Total Level 3 Equity and Warrant Investments		\$ 120,218			

(1) The significant unobservable inputs used in the fair value measurement of the Company's warrant and equity securities are revenue and/or earnings multiples (e.g. EBITDA, EBT, ARR), market equity adjustment factors, and discounts for lack of marketability. Significant increases/(decreases) in the inputs in isolation would result in a significantly higher/(lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date. The significant unobservable input used in the fair value measurement of impaired equity securities is the probability weighting of alternative outcomes.

(2) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.

(3) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.

(4) Represents the range of changes in industry valuations since the portfolio company's last external valuation event.

(5) Weighted averages are calculated based on the fair market value of each investment.

(6) The fair market value of these investments is derived based on recent private market and merger and acquisition transaction prices.

(7) The discount rate used is based on current portfolio yield adjusted for uncertainty of actual performance and timing in capital deployments.

Investment Type - Level 3	2023	Fair Value as of December 31,			
		Methodologies	Unobservable Input ⁽¹⁾	Range	Weighted Average ⁽⁵⁾
Equity and Warrant Investments	\$ 52,094	Market Comparable Companies	EBITDA Multiple ⁽²⁾	12.3 x - 12.3 x	12.3 x
			Revenue Multiple ⁽²⁾	0.3 x - 20.1 x	7.2 x
			Tangible Book Value Multiple ⁽²⁾	1.8 x - 1.8 x	1.8 x
		11,096 Market Adjusted OPM Backsolve	Discount for Lack of Marketability ⁽³⁾	7.11 % - 92.72 %	31.57 %
Warrant Investments	\$ 19,014	Market Comparable Companies	Market Equity Adjustment ⁽⁴⁾	(86.14 %) - 32.69 %	7.47 %
			Discount Rate ⁽⁷⁾	19.88 % - 31.97 %	30.51 %
		28,713 Discounted Cash Flow	Other ⁽⁶⁾		
Total Level 3 Equity and Warrant Investments		\$ 116,916			

(1) The significant unobservable inputs used in the fair value measurement of the Company's warrant and equity securities are revenue and/or earnings multiples (e.g. EBITDA, EBT, ARR), market equity adjustment factors, and discounts for lack of marketability. Significant increases/

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(decreases) in the inputs in isolation would result in a significantly higher/(lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date. The significant unobservable input used in the fair value measurement of impaired equity securities is the probability weighting of alternative outcomes.

- (2) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.
- (3) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.
- (4) Represents the range of changes in industry valuations since the portfolio company's last external valuation event.
- (5) Weighted averages are calculated based on the fair market value of each investment.
- (6) The fair market value of these investments is derived based on recent market transactions.
- (7) The discount rate used is based on current portfolio yield adjusted for uncertainty of actual performance and timing in capital deployments.

The Company believes that the carrying amounts of its financial instruments, other than investments and debt, which consist of cash and cash equivalents, receivables including escrow receivables, accounts payable and accrued liabilities, approximate the fair values of such items due to the short maturity of such instruments. The debt obligations of the Company are recorded at amortized cost and not at fair value on the Consolidated Statements of Assets and Liabilities. The fair value of the Company's outstanding debt obligations are based on observable market trading prices or quotations and unobservable market rates as applicable for each instrument.

As of December 31, 2024 and December 31, 2023, the 2033 Notes (as defined in "Note 5 - Debt") were trading on the New York Stock Exchange ("NYSE") at \$ 25.17 and \$ 25.25 per unit at par value. The par value at underwriting for the 2033 Notes was \$ 25.00 per unit. Based on market quotations on or around December 31, 2024 and December 31, 2023, the 2031 Asset-Backed Notes (as defined in "Note 5 - Debt") were quoted for 0.963 and 0.950 . The fair values of the SBA debentures, February 2025 Notes, June 2025 Notes, June 2025 3-Year Notes, March 2026 A Notes, March 2026 B Notes, September 2026, and January 2027 Notes (as defined in "Note 5 - Debt") are calculated based on the net present value of payments over the term of the notes using estimated market rates for similar notes and remaining terms. The fair values of the outstanding debt under the MUFG Bank Facility and the SMBC Facility (each as defined in "Note 5 - Debt") are equal to their outstanding principal balances as of December 31, 2024 and December 31, 2023.

The following tables provide additional information about the approximate fair value and level in the fair value hierarchy of the Company's outstanding borrowings as of December 31, 2024 and December 31, 2023:

(in thousands)	December 31, 2024				
	Carrying Value	Approximate Fair Value	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
SBA Debentures	\$ 271,371	\$ 260,436	\$ —	\$ —	\$ 260,436
February 2025 Notes	49,981	50,698	—	—	50,698
June 2025 Notes	69,919	69,308	—	—	69,308
June 2025 3-Year Notes	49,926	49,713	—	—	49,713
March 2026 A Notes	49,889	49,052	—	—	49,052
March 2026 B Notes	49,880	49,087	—	—	49,087
September 2026 Notes	323,321	302,244	—	—	302,244
January 2027 Notes	347,265	327,928	—	—	327,928
2031 Asset-Backed Notes	118,769	115,031	—	115,031	—
2033 Notes	39,043	40,272	—	40,272	—
MUFG Bank Facility	116,000	116,000	—	—	116,000
SMBC Facility	283,591	283,591	—	—	283,591
Total	\$ 1,768,955	\$ 1,713,360	\$ —	\$ 155,303	\$ 1,558,057

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(in thousands)

Description	December 31, 2023					
	Carrying Value	Approximate Fair Value	Identical Assets (Level 1)		Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
SBA Debentures	\$ 170,323	\$ 142,011	\$ —	\$ —	\$ —	\$ 142,011
July 2024 Notes	104,828	105,755	—	—	—	105,755
February 2025 Notes	49,866	49,144	—	—	—	49,144
June 2025 Notes	69,757	67,198	—	—	—	67,198
June 2025 3-Year Notes	49,771	48,983	—	—	—	48,983
March 2026 A Notes	49,795	47,702	—	—	—	47,702
March 2026 B Notes	49,776	47,759	—	—	—	47,759
September 2026 Notes	322,339	288,711	—	—	—	288,711
January 2027 Notes	345,935	315,832	—	—	—	315,832
2031 Asset-Backed Notes	148,544	142,500	—	142,500	—	—
2033 Notes	38,935	40,400	—	40,400	—	—
MUFG Bank Facility	61,000	61,000	—	—	—	61,000
SMBC Facility	94,000	94,000	—	—	—	94,000
Total	\$ 1,554,869	\$ 1,450,995	\$ —	\$ 182,900	\$ —	\$ 1,268,095

4. Investments

Control and Affiliate Investments

As required by the 1940 Act, the Company classifies its investments by level of control. "Control investments" are defined in the 1940 Act as investments in those companies that the Company is deemed to "control". Under the 1940 Act, the Company is generally deemed to "control" a company in which it has invested if it owns 25% or more of the voting securities of such company or has greater than 50% representation on its board. "Affiliate investments" are investments in those companies that are "affiliated companies" of the Company, as defined in the 1940 Act, which are not control investments. The Company is deemed to be an "affiliate" of a company in which it has invested if it owns 5% or more, but generally less than 25%, of the voting securities of such company. "Non-control/non-affiliate investments" are investments that are neither control investments nor affiliate investments. For purposes of determining the classification of its investments, the Company has included consideration of any voting securities or board appointment rights held by the Adviser Funds.

The following table summarizes the Company's realized gains and losses and changes in unrealized appreciation and depreciation on control and affiliate investments for the years ended December 31, 2024, 2023, and 2022.

(in thousands)

Portfolio Company ⁽¹⁾	Type	For the Year Ended December 31, 2024					
		Fair Value as of December 31, 2024	Interest & Dividend Income		Fee Income	Appreciation (Depreciation)	Realized Gain (Loss)
			Interest Income	Dividend Income			
Control Investments							
Coronado Aesthetics, LLC	Control	\$ 69	\$ —	\$ —	\$ —	\$ (193)	\$ —
Gibraltar Acquisition LLC ⁽³⁾	Control	59,263	5,301	146		(4,983)	—
Hercules Adviser LLC ⁽⁴⁾	Control	42,190	7,410	—		1,477	—
Tectura Corporation	Control	11,657	692	—		140	—
Total Control Investments		\$ 113,179	\$ 13,403	\$ 146	\$ (3,559)	\$ —	\$ —

(in thousands)

Portfolio Company ⁽¹⁾	Type	For the Year Ended December 31, 2023					
		Fair Value as of December 31, 2023	Interest Income			Net Change in Unrealized Appreciation (Depreciation)	
			Interest Income	Dividend Income	Fee Income	Realized Gain (Loss)	
Control Investments							
Coronado Aesthetics, LLC	Control	\$ 262	\$ —	\$ —	\$ —	\$ (57)	—
Gibraltar Acquisition LLC ⁽³⁾	Control	62,512	3,344	95	9,656		—
Hercules Adviser LLC ⁽⁴⁾	Control	40,713	608	—	9,560		—
Tectura Corporation	Control	11,517	690	—	3,475		—
Control Investments		\$ 115,804	4,642	\$ 95	22,634	\$ —	\$ —

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		For the Year Ended December 31, 2022				
Portfolio Company ⁽¹⁾	Type	Fair Value as of December 31, 2022	Interest			Appreciation (Depreciation)Realized Gain (Loss)
			Income	Fee Income	Net Change in Unrealized	
Control Investments						
Black Crow Aesthetics, LLC	Control	\$ 19	\$—	\$—	(\$46)	—
Gibraltar Business Capital, LLC	Control	36,944	3,385	68	(6,968)	—
Hercules Adviser LLC	Control	31,153	546	—	7,163	—
Pineapple Corporation	Control	8,042	690	—	(227)	—
Control Investments		\$ 76,858	4,621	\$68	(258)	—
Affiliate Investments						
Crow AI, Inc. ⁽²⁾	Affiliate	\$—	\$—	\$—	(\$20)	3,772
Pineapple Energy LLC ⁽²⁾	Affiliate	—	1,204	—	4,209	(2,014)
Affiliate Investments		\$—	1,804	\$—	4,889	1,758
Control & Affiliate Investments		\$ 76,858	5,825	\$68	3,811	1,758

(1) In accordance with Rules 3-09, 4-08(g), and Rule 10-01(b)(1) of Regulation S-X, ("Rule 3-09", "Rule 4-08(g)", and "Rule 10-01(b)(1)", respectively), the Company must determine if its unconsolidated subsidiaries are considered "significant subsidiaries". As of December 31, 2024, December 31, 2023, and December 31, 2022 there were no unconsolidated subsidiaries that are considered "significant subsidiaries".

(2) As of September 30, 2022, Black Crow AI, Inc. and Pineapple Energy LLC were no longer affiliates as defined under the 1940 Act.

(3) Gibraltar Acquisition LLC is a wholly-owned subsidiary, which is the holding company for their wholly-owned affiliated portfolio companies, Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC. The subsidiary has no significant assets or liabilities, other than their equity and debt investments and equity interest in Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC, respectively.

(4) Hercules Adviser LLC is owned by Hercules Capital Management LLC and presented with Hercules Partner Holdings, LLC which are both wholly owned by the Company. Please refer to "Note 1" for additional disclosure.

Portfolio Composition

The following table shows the fair value of the Company's portfolio of investments by asset class as of December 31, 2024 and December 31, 2023:

(in thousands)	December 31, 2024		December 31, 2023	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
Senior Secured Debt	\$ 3,419,044	93.4 %	\$ 2,987,577	92.0 %
Unsecured Debt	75,557	2.1 %	69,722	2.2 %
Preferred Stock	53,802	1.5 %	53,038	1.6 %
Common Stock	74,855	2.0 %	99,132	3.1 %
Warrants	30,500	0.8 %	33,969	1.0 %
Investment Funds & Vehicles	6,220	0.2 %	4,608	0.1 %
Total	\$ 3,659,978	100.0 %	\$ 3,248,046	100.0 %

A summary of the Company's investment portfolio, at value, by geographic location as of December 31, 2024 and December 31, 2023 is shown as follows:

(in thousands)	December 31, 2024		December 31, 2023	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
United States	\$ 3,288,737	89.9 %	\$ 2,861,615	88.1 %
United Kingdom	142,183	3.9 %	222,136	6.9 %
Israel	88,066	2.4 %	52,868	1.6 %
Netherlands	59,157	1.6 %	89,995	2.8 %
Germany	49,255	1.3 %	1,144	0.0 %
Canada	16,251	0.4 %	15,730	0.5 %
Denmark	9,284	0.3 %	4,173	0.1 %
Ireland	4,649	0.1 %	—	0.0 %
Singapore	1,996	0.1 %	—	0.0 %
Other	400	0.0 %	385	0.0 %
Total	\$ 3,659,978	100.0 %	\$ 3,248,046	100.0 %

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The following table shows the fair value of the Company's portfolio by industry sector as of December 31, 2024 and December 31, 2023:

(in thousands)	December 31, 2024		December 31, 2023	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
Software	\$ 1,081,100	29.5 %	\$ 764,985	23.6 %
Drug Discovery & Development	1,080,390	29.5 %	1,257,699	38.7 %
Healthcare Services, Other	610,184	16.7 %	300,079	9.3 %
Consumer & Business Services	372,641	10.2 %	525,973	16.2 %
Electronics & Computer Hardware	162,888	4.5 %	20,324	0.6 %
Diversified Financial Services	113,491	3.1 %	114,722	3.5 %
Medical Devices & Equipment	74,962	2.0 %	22,096	0.7 %
Space Technologies	45,700	1.2 %	—	0.0 %
Biotechnology Tools	35,434	1.0 %	48,381	1.5 %
Communications & Networking	27,700	0.8 %	29,400	0.9 %
Sustainable and Renewable Technology	27,696	0.8 %	9,581	0.3 %
Information Services	24,356	0.7 %	126,605	3.9 %
Consumer & Business Products	1,497	0.0 %	2,589	0.1 %
Manufacturing Technology	1,162	0.0 %	11,006	0.3 %
Semiconductors	704	0.0 %	1,205	0.0 %
Media/Content/Info	63	0.0 %	12,704	0.4 %
Drug Delivery	10	0.0 %	21	0.0 %
Surgical Devices	—	0.0 %	676	0.0 %
Total	\$ 3,659,978	100.0 %	\$ 3,248,046	100.0 %

No single portfolio investment represents more than 10% of the fair value of the Company's total investments as of December 31, 2024 or December 31, 2023.

Concentrations of Credit Risk

The Company's customers are primarily privately held companies and public companies which are active in the "Software", "Drug Discovery & Development", "Healthcare Services, Other", and "Consumer & Business Services" sectors. These sectors are characterized by high margins, high growth rates, consolidation and product and market extension opportunities. Value for companies in these sectors is often vested in intangible assets and intellectual property.

Industry and sector concentrations vary as new loans are recorded and loans are paid off. Investment income, consisting of interest, fees, and recognition of gains on equity and warrant or other equity interests, can fluctuate materially when a loan is paid off or a related warrant or equity interest is sold. Investment income recognized in any given year can be highly concentrated among several portfolio companies.

As of December 31, 2024 and December 31, 2023, the Company's ten largest portfolio companies represented approximately 31.6 % and 29.7 % of the total fair value of the Company's investments in portfolio companies, respectively. As of December 31, 2024 and December 31, 2023, the Company had six and five portfolio companies, respectively, that represented 5% or more of the Company's net assets. As of December 31, 2024, the Company had three equity investments representing approximately 49.7 % of the total fair value of the Company's equity investments, and each represented 5% or more of the total fair value of the Company's equity investments. As of December 31, 2023, the Company had five equity investments which represented approximately 56.5 % of the total fair value of the Company's equity investments, and each represented 5% or more of the total fair value of such investments.

Investment Collateral

In the majority of cases, the Company collateralizes its investments by obtaining a first priority security interest in a portfolio company's assets, which may include its intellectual property. In other cases, the Company may obtain a negative pledge covering a company's intellectual property. The Company's investments were collateralized as follows as of December 31, 2024 and December 31, 2023:

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	Percentage of debt investments (at fair value), as of	
	December 31, 2024	December 31, 2023
Senior Secured First Lien		
All assets including intellectual property	67.1 %	52.3 %
All assets with negative pledge on intellectual property	14.2 %	24.0 %
"Last-out" with security interest in all of the assets	9.7 %	12.5 %
Total senior secured first lien position	91.0 %	88.8 %
Second lien	6.8 %	8.9 %
Unsecured	2.2 %	2.3 %
Total debt investments at fair value	100.0 %	100.0 %

Derivative Instruments

The Company enters into forward currency contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. The following is a summary of the fair value and location of the Company's derivative instruments in the Consolidated Statements of Assets and Liabilities held as of December 31, 2024 and December 31, 2023:

(in thousands)		Fair Value		
	Derivative Instrument	Statement Location	December 31, 2024	December 31, 2023
Foreign currency forward contract		Other assets	\$ 538	\$ —
Foreign currency forward contract		Accounts payable and accrued liabilities	—	766
		Total	\$ 538	\$ 766

Net realized and unrealized gains and losses on derivative instruments recorded by the Company during the years ended December 31, 2024 and December 31, 2023 are in the following locations in the Consolidated Statements of Operations:

(in thousands)		Year Ended December 31,		
	Derivative Instrument	Statement Location	2024	2023
Foreign currency forward contract		Net realized gain (loss) - Non-control / Non-affiliate investments	\$ (849)	\$ —
Foreign currency forward contract		Net change in unrealized appreciation (depreciation) - Non-control / Non-affiliate investments	1,305	(766)
		Total	\$ 456	\$ (766)

Investment Income

The Company's investment portfolio generates interest, fee, and dividend income. The composition of the Company's interest income and fee income is as follows:

(in thousands)		Year Ended December 31,		
		2024	2023	2022
Contractual interest income		\$ 355,470	\$ 351,883	\$ 249,375
Exit fee interest income		44,448	45,747	32,063
PIK interest income		51,270	24,670	20,455
Dividend income		7,900	1,400	—
Other investment income ⁽¹⁾		8,107	10,725	5,365
Total interest and dividend income		\$ 467,195	\$ 434,425	\$ 307,258
Recurring fee income		9,507	8,835	7,834
Fee income - expired commitments		2,442	1,695	1,502
Accelerated fee income - early repayments		14,447	15,713	5,094
Total fee income		\$ 26,396	\$ 26,243	\$ 14,430

(1) Other investment income includes OID interest income and interest recorded on other assets.

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As of December 31, 2024 and 2023, unamortized capitalized fee income was recorded as follows:

(in millions)	As of December 31,	
	2024	2023
Offset against debt investment cost	\$ 36.9	\$ 32.9
Deferred obligation contingent on funding or other milestone	9.1	9.4
Total Unamortized Fee Income	<u>46.0</u>	<u>42.3</u>

As of December 31, 2024 and 2023, loan exit fees receivable were recorded as follows:

(in millions)	As of December 31,	
	2024	2023
Included within debt investment cost	\$ 39.2	\$ 35.9
Deferred receivable related to expired commitments	3.0	4.3
Total Exit Fees Receivable	<u>42.2</u>	<u>40.2</u>

5. Debt

As of December 31, 2024 and December 31, 2023, the Company had the following available and outstanding debt:

(in thousands)	December 31, 2024			December 31, 2023		
	Total Available	Principal		Total Available	Principal	
		Outstanding	Carrying Value ⁽¹⁾		Outstanding	Carrying Value ⁽¹⁾
SBA Debentures ⁽²⁾⁽⁴⁾	\$ 350,000	\$ 279,000	\$ 271,371	\$ 175,000	\$ 175,000	\$ 170,323
July 2024 Notes	—	—	—	105,000	105,000	104,828
February 2025 Notes	50,000	50,000	49,981	50,000	50,000	49,866
June 2025 Notes	70,000	70,000	69,919	70,000	70,000	69,757
June 2025 3-Year Notes	50,000	50,000	49,926	50,000	50,000	49,771
March 2026 A Notes	50,000	50,000	49,889	50,000	50,000	49,795
March 2026 B Notes	50,000	50,000	49,880	50,000	50,000	49,776
September 2026 Notes	325,000	325,000	323,321	325,000	325,000	322,339
January 2027 Notes	350,000	350,000	347,265	350,000	350,000	345,935
2031 Asset-Backed Notes	119,475	119,475	118,769	150,000	150,000	148,544
2033 Notes	40,000	40,000	39,043	40,000	40,000	38,935
MUFG Bank Facility ⁽²⁾	400,000	116,000	116,000	400,000	61,000	61,000
SMBC Facility ⁽²⁾⁽³⁾⁽⁵⁾	475,000	283,790	283,591	400,000	94,000	94,000
Total	\$ 2,329,475	\$ 1,783,265	\$ 1,768,955	\$ 2,215,000	\$ 1,570,000	\$ 1,554,869

(1) Except for the SMBC Facility and MUFG Bank Facility, all carrying values represent the principal amount outstanding less the remaining unamortized debt issuance costs and unaccreted premium or discount, if any, associated with the debt as of the balance sheet date.

(2) Availability subject to the Company meeting the borrowing base requirements.

(3) "Total Available" includes \$ 175.0 million of available commitment through the letter of credit facility as of December 31, 2024 and December 31, 2023.

(4) As of December 31, 2024, the total available debt under the SBA Debentures was \$ 350.0 million, of which \$ 175.0 million was available to HC IV and \$ 175.0 million was available to SBIC V. As of December 31, 2023, the total available debt under the SBA debentures was \$ 175.0 million, all of which was available to HC IV.

(5) In November 2024, the Company amended its SMBC Facility and converted a portion of the existing revolver facility into a term loan facility in connection therewith. As of December 31, 2024, the term loan portion of the SMBC Facility for total available, outstanding principal, and carrying value was \$ 25.0 million, \$ 25.0 million, and \$ 24.8 million respectively.

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Debt issuance costs, net of accumulated amortization, were as follows as of December 31, 2024 and December 31, 2023:

(in thousands)	December 31, 2024	December 31, 2023
SBA Debentures	\$ 7,629	\$ 4,677
July 2024 Notes	—	172
February 2025 Notes	19	134
June 2025 Notes	81	243
June 2025 3-Year Notes	74	229
March 2026 A Notes	111	205
March 2026 B Notes	120	224
September 2026 Notes	1,679	2,661
January 2027 Notes	2,735	4,065
2031 Asset-Backed Notes	706	1,456
2033 Notes	957	1,065
MUFG Bank Facility ⁽¹⁾	1,770	3,540
SMBC Facility ⁽¹⁾⁽²⁾	2,693	1,775
Total	\$ 18,574	\$ 20,446

(1) The MUFG Bank Facility and SMBC Facility are line-of-credit arrangements, the debt issuance costs associated with these instruments are included within Other assets on the Consolidated Statements of Assets and Liabilities in accordance with ASC Subtopic 835-30.

(2) As part of the November 2024 amendment of the SMBC Facility, the existing revolver facility was split into a revolver facility and a term loan facility. The debt issuance costs, net of accumulated amortization of the revolver facility is \$ 2.5 million and the term loan is \$ 0.2 million.

For the year ended December 31, 2024, the components of interest expense, related fees, losses on debt extinguishment and cash paid for interest expense for debt were as follows:

(in thousands)	Year ended December 31, 2024				
	Interest expense ⁽¹⁾	Amortization of debt issuance cost (loan fees)	Unused facility and other fees (loan fees)	Total interest expense and fees	Cash paid for interest expense
SBA Debentures	\$ 4,993	\$ 621	\$ —	\$ 5,614	\$ 4,575
July 2024 Notes	2,706	172	—	2,878	5,008
February 2025 Notes	2,140	115	—	2,255	2,140
June 2025 Notes	3,017	162	—	3,179	3,016
June 2025 3-Year Notes	3,000	155	—	3,155	3,000
March 2026 A Notes	2,250	95	—	2,345	2,250
March 2026 B Notes	2,275	103	—	2,378	2,276
September 2026 Notes	8,697	815	—	9,512	8,531
January 2027 Notes	12,316	828	—	13,144	11,812
2031 Asset-Backed Notes ⁽²⁾	7,464	394	—	7,858	7,321
2033 Notes	2,500	108	—	2,608	2,500
MUFG Bank Facility	11,931	1,770	\$ 1,949	15,650	11,866
SMBC Facility	13,862	735	785	15,382	13,555
Total	\$ 77,151	\$ 6,073	\$ 2,734	\$ 85,958	\$ 77,850

(1) Interest expense includes amortization of original issue discounts for the year ended December 31, 2024, of \$ 166 thousand, \$ 503 thousand, and \$ 185 thousand related to the September 2026 Notes, January 2027 Notes, and 2031 Asset-Backed Notes, respectively.

(2) During the year ended December 31, 2024, we have recognized \$ 171 thousand of loss on debt extinguishment for 2031 Asset-Backed Notes.

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For the year ended December 31, 2023, the components of interest expense, related fees, and cash paid for interest expense for debt were as follows:
(in thousands)

Description	Year ended December 31, 2023				
	Interest expense ⁽¹⁾	Amortization of debt issuance cost (loan fees)	Unused facility and other fees (loan fees)	Total interest expense and fees	Cash paid for interest expense
SBA Debentures	\$ 4,562	\$ 585	\$ —	\$ 5,147	\$ 4,562
July 2024 Notes	5,009	295	—	5,304	5,009
February 2025 Notes	2,140	115	—	2,255	2,140
June 2025 Notes	3,017	162	—	3,179	3,017
June 2025 3-Year Notes	3,000	155	—	3,155	3,000
March 2026 A Notes	2,250	95	—	2,345	2,250
March 2026 B Notes	2,275	103	—	2,378	2,276
September 2026 Notes	8,697	815	—	9,512	8,532
January 2027 Notes	12,316	828	—	13,144	11,812
2031 Asset-Backed Notes	7,613	399	—	8,012	7,425
2033 Notes	2,500	108	—	2,608	2,500
MUFG Bank Facility ⁽²⁾	5,583	1,770	2,782	10,135	5,948
SMBC Facility	8,658	693	940	10,291	8,678
Total	\$ 67,620	\$ 6,123	\$ 3,722	\$ 77,465	\$ 67,149

(1) Interest expense includes amortization of original issue discounts for the year ended December 31, 2023, of \$ 166 thousand, \$ 503 thousand, \$ 188 thousand related to the September 2026 Notes, January 2027 Notes, and 2031 Asset-Backed Notes, respectively.

(2) The June 2022 amendment of the MUFG Bank Facility replaced Union Bank Facility via an amendment as the lead lender.

For the year ended December 31, 2022, the components of interest expense, related fees, and cash paid for interest expense for debt were as follows:

Description	Year ended December 31, 2022				
	Interest expense ⁽¹⁾	Amortization of debt issuance cost (loan fees)	Unused facility and other fees (loan fees)	Total interest expense and fees	Cash paid for interest expense
SBA Debentures	\$ 3,997	\$ 581	\$ —	\$ 4,578	\$ 2,835
2022 Notes ⁽³⁾	1,011	50	—	1,061	2,293
July 2024 Notes	5,009	295	—	5,304	5,009
February 2025 Notes	2,140	115	—	2,255	2,140
June 2025 Notes	3,017	162	—	3,179	3,017
June 2025 3-Year Notes	1,567	81	—	1,648	1,500
March 2026 A Notes	2,250	95	—	2,345	2,250
March 2026 B Notes	2,275	103	—	2,378	2,275
September 2026 Notes	8,698	815	—	9,513	8,531
January 2027 Notes	11,630	782	—	12,412	5,906
2031 Asset-Backed Notes	3,975	209	—	4,184	3,671
2033 Notes	2,500	108	—	2,608	2,500
2022 Convertible Notes ⁽³⁾	923	148	—	1,071	5,004
MUFG Bank Facility ⁽²⁾	4,548	941	2,285	7,774	4,097
SMBC Facility	1,209	315	513	2,037	1,047
Total	\$ 54,749	\$ 4,800	\$ 2,798	\$ 62,347	\$ 52,075

(1) Interest expense includes amortization of original issue discounts for the year ended December 31, 2022, of \$ 23 thousand, \$ 112 thousand, \$ 166 thousand, \$ 475 thousand, and \$ 98 thousand for the 2022 Notes, 2022 Convertible Notes, September 2026 Notes, January 2027 Notes, and 2031 Asset-Backed Notes, respectively.

(2) The June 2022 amendment of the MUFG Bank Facility replaced Union Bank Facility via an amendment as the lead lender.

(3) The Company fully redeemed the 2022 Notes on February 22, 2022 and fully repaid the 2022 Convertible Notes on February 1, 2022.

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The overall weighted average interest cost, cost of debt and debt outstanding for the Company for the years ended December 31, 2024 and 2023 were as follows:

(in thousands)	Year Ended December 31,	
	2024	2023
Weighted average interest cost	4.5 %	4.2 %
Weighted average cost of debt ⁽¹⁾	5.0 %	4.8 %
Weighted average debt outstanding	1,709,469	1,607,278

(1) Cost of debt includes interest and fees.

As of December 31, 2024, December 31, 2023, and December 31, 2022, the Company was in compliance with the terms of all borrowing arrangements. There are no sinking fund requirements for any of the Company's debt.

SBA Debentures

The Company held the following SBA debentures outstanding principal balances as of December 31, 2024 and December 31, 2023:

(in thousands)	Maturity Date	Interest Rate ⁽¹⁾	December 31, 2024	December 31, 2023
March 26, 2021	September 1, 2031	1.58 %	\$ 37,500	\$ 37,500
June 25, 2021	September 1, 2031	1.58 %	16,200	16,200
July 28, 2021	September 1, 2031	1.58 %	5,400	5,400
August 20, 2021	September 1, 2031	1.58 %	5,400	5,400
October 21, 2021	March 1, 2032	3.21 %	14,000	14,000
November 1, 2021	March 1, 2032	3.21 %	21,000	21,000
November 15, 2021	March 1, 2032	3.21 %	5,200	5,200
November 30, 2021	March 1, 2032	3.21 %	20,800	20,800
December 20, 2021	March 1, 2032	3.21 %	10,000	10,000
December 23, 2021	March 1, 2032	3.21 %	10,000	10,000
December 28, 2021	March 1, 2032	3.21 %	5,000	5,000
January 14, 2022	March 1, 2032	3.21 %	4,500	4,500
January 21, 2022	March 1, 2032	3.21 %	20,000	20,000
November 8, 2024 ⁽²⁾	March 1, 2035	5.16 %	30,000	—
December 6, 2024 ⁽²⁾	March 1, 2035	5.12 %	33,600	—
December 12, 2024 ⁽²⁾	March 1, 2035	5.05 %	8,400	—
December 20, 2024 ⁽²⁾	March 1, 2035	5.01 %	32,000	—
Total SBA Debentures			\$ 279,000	\$ 175,000

(1) Interest rates are determined initially at issuance and reset to a fixed rate at the debentures pooling date. The rates are inclusive of annual SBA charges.

(2) As of December 31, 2024, \$ 104.0 million of drawn SBA Debentures are scheduled to be pooled on March 26, 2025. The interest rate disclosed is the current effective interim interest rate.

SBICs are subject to a variety of regulations and oversight by the SBA concerning the size and nature of the companies in which they may invest as well as the structures of those investments. The SBA as part of its oversight periodically examines and audits to determine SBICs' compliance with SBA regulations.

HC IV and SBIC V each received their licenses to operate as an SBIC on October 27, 2020 and July 9, 2024, respectively, and each license has a 10 year term. Each license provides the Company access to up to \$ 175.0 million of capital through the SBA debenture program, subject to maintaining certain capital commitments. HC IV has issued the entire \$ 175.0 million in SBIC guaranteed debentures and SBIC V has issued \$ 104.0 million of its SBA guaranteed debentures. SBA debentures bear fixed interest based on the treasury rate plus a spread applicable for the period the debentures are drawn. As of the latest debenture pooling date in December 2024, SBA debentures were issued with an interest rate of approximately 5.01 %. The actual rates may vary depending on the timing of drawdown and pooling period.

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The Company's SBICs were in compliance with all SBIC terms, including those pertaining to the SBA debentures, as of December 31, 2024 and December 31, 2023. The following table summarizes information related to our SBICs as of December 31, 2024 and December 31, 2023.

Description	December 31, 2024			December 31, 2023		
	HC IV	SBIC V		HC IV	SBIC V	
Number of investments held		33		11		25
Fair value of investments (in millions)	\$	377.7	\$	155.6	\$	331.5
Percentage of fair value of investments based on the Company's total investment portfolio		10.3	%	4.3	%	10.2
Tangible assets (in millions)	\$	382.9	\$	157.8	\$	341.8
Percentage of tangible assets based on the Company's total assets		10.0	%	4.1	%	10.0
						0.0 %

July 2024 Notes

On July 16, 2019, the Company issued \$ 105.0 million in aggregate principal amount of 4.77 % interest-bearing unsecured notes due on July 16, 2024 (the "July 2024 Notes"), unless repurchased in accordance with their terms, to qualified institutional investors in a private placement notes offering. Interest on the July 2024 Notes is due semiannually. The July 2024 Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. On July 16, 2024, the Company fully repaid the aggregate outstanding \$ 105.0 million principal and \$ 2.5 million of accrued interest pursuant to the terms of the July 2024 Notes.

February 2025 Notes

On February 5, 2020, the Company issued \$ 50.0 million in aggregate principal amount of 4.28 % interest-bearing unsecured notes due February 5, 2025 (the "February 2025 Notes"), unless repurchased in accordance with their terms, to qualified institutional investors in a private placement notes offering. Interest on the February 2025 Notes is due semiannually. The February 2025 Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. See "Note 14 - Subsequent Events" for more information.

June 2025 Notes

On June 3, 2020, the Company issued \$ 70.0 million in aggregate principal amount of 4.31 % interest-bearing unsecured notes due June 3, 2025 (the "June 2025 Notes"), unless repurchased in accordance with their terms, to qualified institutional investors in a private placement notes offering. Interest on the June 2025 Notes is due semiannually. The June 2025 Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

June 2025 3-Year Notes

On June 23, 2022, the Company issued \$ 50.0 million in aggregate principal amount of 6.00 % interest-bearing unsecured notes due June 23, 2025 (the "June 2025 3-Year Notes"), unless repurchased in accordance with their terms, to qualified institutional investors in a private placement notes offering. Interest on the June 2025 3-Year Notes is due semiannually. The June 2025 3-Year Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

March 2026 A Notes

On November 4, 2020, the Company issued \$ 50.0 million in aggregate principal amount of 4.50 % interest-bearing unsecured notes due March 4, 2026 (the "March 2026 A Notes"), unless repurchased in accordance with their terms, to qualified institutional investors in a private placement notes offering. Interest on the March 2026 A Notes is due semiannually. The March 2026 A Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

March 2026 B Notes

On March 4, 2021, the Company issued \$ 50.0 million in aggregate principal amount of 4.55 % interest-bearing unsecured notes due March 4, 2026 (the "March 2026 B Notes"), unless repurchased in accordance with their terms, to qualified institutional investors in a private placement pursuant note offering. Interest on the March 2026 B Notes is due semiannually. The March 2026 B Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

September 2026 Notes

On September 16, 2021, the Company issued \$ 325.0 million in aggregate principal amount of 2.625 % interest-bearing unsecured notes due September 16, 2026 (the "September 2026 Notes"), unless repurchased in accordance with the terms of the Seventh Supplemental Indenture, dated September 16, 2021. Interest on the September 2026 Notes is payable semiannually in arrears on March 16 and September 16 of each year. The September 2026 Notes are general unsecured obligations and rank pari passu, or equally in right of payment, with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

January 2027 Notes

On January 20, 2022, the Company issued \$ 350.0 million in aggregate principal amount of 3.375 % interest-bearing unsecured notes due January 20, 2027 (the "January 2027 Notes"), unless repurchased in accordance with the terms of the Eight Supplemental Indenture, dated January 20, 2022. Interest on the January 2027 Notes is payable semiannually in arrears on January 20 and July 20 of each year. The January 2027 Notes are general unsecured obligations and rank pari passu, or equally in right of payment, with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. The Company may redeem some or all of the January 2027 Notes at any time, or from time to time, at the redemption price set forth under the terms of the January 2027 Notes Indenture.

2031 Asset-Backed Notes

On June 22, 2022, the Company completed a term debt securitization in connection with which an affiliate of the Company issued \$ 150.0 million in aggregate principal amount of 4.95 % interest-bearing asset-backed notes due on July 20, 2031 (the "2031 Asset-Backed Notes"). The 2031 Asset-Backed Notes were issued by Hercules Capital Funding Trust 2022-1 LLC (the "2022 Securitization Issuer") pursuant to a note purchase agreement, dated as of June 22, 2022, by and among the Company, Hercules Capital Funding 2022-1 LLC, as trust depositor, the 2022 Securitization Issuer, and U.S. Bank Trust Company, N. A., as trustee, and are backed by a pool of senior loans made to certain portfolio companies of the Company and secured by certain assets of those portfolio companies and are to be serviced by the Company. Interest on the 2031 Asset-Backed Notes will be paid, to the extent of funds available.

Under the terms of the 2031 Asset-Backed Notes, the Company is required to maintain a reserve cash balance, funded through proceeds from the sale of the 2031 Asset-Backed Notes and through interest and principal collections from the underlying securitized debt portfolio, which may be used to pay monthly interest and principal payments on the 2031 Asset-Backed Notes. The Company has segregated these funds and classified them as restricted cash. As of December 31, 2024 and 2023, there was approximately \$ 3.3 million and \$ 17.1 million, respectively, of funds segregated as restricted cash related to the 2031 Asset-Backed Notes. The reinvestment period for 2031 Asset-Backed Notes ended on July 20, 2024, and as a result all principal payments received from portfolio companies will no longer be eligible for reinvestment and will be utilized to pay down the outstanding principal amount. During the year ended December 31, 2024, the Company repaid \$ 30.5 million of principal and accelerated recognition of \$ 0.2 million of debt issuance costs associated with extinguishment of the debt. This is disclosed as "Loss on extinguishment of debt" in the Consolidated Statements of Operations.

2033 Notes

On September 24, 2018, the Company issued \$ 40.0 million in aggregate principal amount of 6.25 % interest-bearing unsecured notes due October 30, 2033 (the "2033 Notes"), unless repurchased in accordance with the terms of the Sixth Supplemental Indenture to the Base Indenture, dated September 24, 2018. Interest on the 2033 Notes is payable quarterly in arrears on January 30, April 30, July 30, and October 30 of each year. The 2033 Notes trade on the NYSE under the symbol "HCXY." The 2033 Notes are general unsecured obligations and rank pari passu, or equally in right of payment, with all outstanding and future unsecured unsubordinated indebtedness issued by the Company . The Company may redeem some or all of the 2033 Notes at any time, or from time to time, at the redemption price set forth under the terms of the 2033 Notes indenture after October 30, 2023.

Credit Facilities

As of December 31, 2024 and December 31, 2023, the Company has two available credit facilities, the MUFG Bank Facility and the SMBC Facility (together, the "Credit Facilities"). For the year ended December 31, 2024 and 2023, the weighted average interest rate was 7.63 % and 7.41 %, respectively, and the average debt outstanding under the Credit Facilities was \$ 338.0 million and \$ 192.3 million, respectively.

MUFG Bank Facility

On January 13, 2023, the Company entered into a third amended credit facility agreement, which amends the agreement dated as of June 10, 2022. The Company, through a special purpose wholly owned subsidiary, Hercules Funding IV LLC ("Hercules Funding IV"), as borrower, entered into the credit facility (the "MUFG Bank Facility") with MUFG Bank Ltd. as the arranger and administrative agent, and the lenders party to the MUFG Bank Facility from time to time.

Under the MUFG Bank Facility, the lenders have made commitments of \$ 400.0 million, which may be further increased via an accordion feature up to an aggregate \$ 600.0 million, funded by existing or additional lenders and with the agreement of MUFG Bank and subject to other customary conditions. There can be no assurances that additional lenders will join the MUFG Bank Facility to increase available borrowings. Debt under the MUFG Bank Facility generally bears interest at a rate per annum equal to SOFR plus 2.75 % for SOFR loans. The MUFG Bank Facility matures on January 13, 2026 , plus a twelve month amortization period, unless sooner terminated in accordance with its terms. The MUFG Bank Facility is secured by all of the assets of Hercules Funding IV. The MUFG Bank Facility requires payment of a non-use fee during the revolving credit availability period.

The MUFG Bank Facility also includes financial and other covenants applicable to the Company and the Company's subsidiaries, in addition to those applicable to Hercules Funding IV, including covenants relating to certain changes of control of Hercules Funding IV. Among other things, these covenants require the Company to maintain certain financial ratios, including a minimum interest coverage ratio and a minimum tangible net worth with respect to Hercules Funding IV . The MUFG Bank Facility provides for customary events of default, including with respect to payment defaults, breach of representations and covenants, servicer defaults, certain key person provisions, cross default provisions to certain other debt, lien and judgment limitations, and bankruptcy.

SMBC Facility

On November 26, 2024, the Company entered into a fifth amendment (the "Fifth Amendment") to its revolving credit agreement, which amends the revolving credit agreement, dated as of November 9, 2021, with Sumitomo Mitsui Banking Corporation (the "SMBC Facility"), as administrative agent, and the lenders and issuing banks to the SMBC Facility. As of December 31, 2024, the SMBC Facility provides for borrowings in U.S. dollars and certain agreed upon foreign currencies of up to \$ 300.0 million, from which the Company may access subject to certain conditions. The SMBC Facility contains an accordion feature, in which the Company can increase the credit line up to an aggregate of \$ 500.0 million, funded by existing or additional lenders and with the agreement of SMBC Bank and subject to other customary conditions. Availability under the revolving SMBC Facility will terminate on November 24, 2028, and the outstanding loans under the SMBC Facility will mature on November 26, 2029 . Borrowings under the SMBC Facility are subject to compliance with a borrowing base and an aggregate portfolio balance. The Company's obligations under the SMBC Facility may in the future be guaranteed by certain of the Company's subsidiaries and primarily secured by a first priority security interest (subject to certain exceptions) in only certain specified property and assets of the Company and the subsidiary guarantors thereunder.

Interest under the revolving portion of the SMBC Facility is determined by the nature and denomination of the borrowing. Interest rates are determined by the appropriate benchmark rate (SOFR, EURIBOR, Prime, CORRA, or TIBOR) as applicable for the type of borrowing plus an applicable margin adjustment which can range from 1.0 % to 2.0 % per annum subject to certain conditions. In addition to interest, the SMBC Facility is subject to a non-usage fee of 0.375 % per annum (based on the immediately preceding period's average usage) on the unused portion of the commitment under the SMBC Facility during the revolving period. The Company is required to pay letter of credit participation fees and a fronting fee on the average daily amount of any lender's exposure with respect to any letters of credit issued under the SMBC Facility.

In connection with the Fifth Amendment, \$ 25.0 million of the total available commitment under the revolver facility was converted into a term loan (the "SMBC Term Loan"). The SMBC Term loan is a SOFR based interest-bearing plus 2.0 % spread loan and will mature on November 26, 2029, unless repurchased in accordance with the terms of the SMBC Facility. Interest on the SMBC Term Loan is payable monthly, quarterly, or semiannually based on the SOFR tenor. The SMBC Term Loan is general unsecured obligations and rank pari passu, or equally in right of payment, with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. The Company may redeem some of all of SMBC Facility at any time, or from time to time, at the redemption price set forth under the terms of SMBC Facility Indenture.

Additionally in January 2023, the Company entered into a Letter of Credit Facility Agreement (the "SMBC LC Facility") with Sumitomo Mitsui Banking Corporation that provides for a letter of credit facility with a final maturity date ending on January 13, 2026 and a commitment amount of \$ 175.0 million as amended. Further, the SMBC LC Facility includes an accordion provision to increase the commitment up to \$ 400.0 million, subject to certain conditions. The Company's obligations under the SMBC LC Facility may in the future be guaranteed by certain of the Company's

subsidiaries and is primarily secured by a first priority security interest (subject to certain exceptions) in only certain specified property and assets of the Company and any subsidiary guarantors thereunder. See "Note 14 - Subsequent Events" for more information.

The SMBC Facility contains customary events of default with customary cure and notice provisions, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default and cross-acceleration to other indebtedness and bankruptcy. The SMBC Facility also includes financial and other covenants applicable to the Company and the Company's subsidiaries, including covenants relating to minimum stockholders' equity, asset coverage ratios, and our status as a RIC.

6. Income Taxes

The determination of taxable income pursuant to U.S. federal income tax regulations differs from U.S. GAAP. As a result, permanent differences are reclassified among capital accounts in the financial statements to reflect their appropriate tax character.

During the years ended December 31, 2024, 2023 and 2022, the Company reclassified accumulated net realized gains (losses) to additional paid-in capital for book purposes primarily related to net realized gains from portfolio companies which are held in taxable subsidiaries and are not consolidated with the Company for income tax purposes, as follows:

(in millions)	Year Ended December 31,		
	2024	2023	2022
Reclassified accumulated net realized gains (losses)	\$ (1.3)	\$ 0.8	\$ 3.0

During the years ended December 31, 2024, 2023 and 2022, the Company reclassified amounts from undistributed ordinary income or accumulated realized gains (losses) to additional paid-in capital for book purposes, as follows:

(in thousands)	Year Ended December 31,		
	2024	2023	2022
Undistributed net investment income (distributions in excess of investment income)	\$ (25,064)	\$ (18,396)	\$ (8,784)
Accumulated realized gains (losses)	23,249	39,317	(834)
Additional paid-in capital	\$ 1,815	\$ (20,921)	\$ 9,618

For income tax purposes, distributions paid to stockholders are reported as ordinary income, long-term capital gains, return of capital, or a combination thereof. The tax character of distributions paid are as follows for each of the years ended:

(in millions)	Year Ended December 31,		
	2024	2023	2022
Ordinary income	\$ 286.1	\$ 275.5	\$ 203.7
Long-term capital gains		23.4	—
			43.1

As of December 31, 2024, 2023 and 2022, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company's Consolidated Statements of Assets and Liabilities by temporary book or tax differences primarily arising from the treatment of loan related yield enhancements.

(in thousands)	Year Ended December 31,		
	2024	2023	2022
Accumulated capital gains	\$ 11,137	\$ (8,190)	\$ (3,102)
Other temporary differences	(25,107)	(18,609)	(20,100)
Undistributed ordinary income	152,436	133,783	127,703
Unrealized appreciation (depreciation)	(49,546)	33,029	(44,592)
Components of distributable earnings	\$ 88,920	\$ 140,013	\$ 59,909

Taxable income and taxable net realized gains (losses) for the year ended December 31, 2024, 2023 and 2022 appears as follows:

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(in millions, except per share data)

	Year Ended December 31,		
	2024	2023	2022
Taxable Income	\$ 305.00	\$ 283.00	\$ 181.10
Taxable Income, Per Share	\$ 1.89	\$ 1.96	\$ 1.45
Taxable Net Realized Gains (Losses)	\$ 34.5	\$ (8.2)	\$ (1.7)
Taxable Net Realized Gains, Per Share	\$ 0.21	\$ (0.06)	\$ (0.01)
Weighted average shares outstanding	161.1	144.1	125.2

The aggregate gross unrealized appreciation and depreciation of the Company's investment over cost for U.S. federal income tax purposes appears as follows:

(in millions)

	Year Ended December 31,		
	2024	2023	2022
Aggregate Gross Unrealized Appreciation	\$ 108.4	\$ 118.3	\$ 72.2
Aggregate Gross Unrealized Depreciation	156.5	115.9	112.0
Net Unrealized Appreciation (Depreciation) over cost for U.S. federal income tax purposes	(48.1)	2.4	(39.8)
Aggregate cost of securities for U.S. federal income tax purposes (in billions)	3.7	3.2	3.0

For the year ended December 31, 2024, the Company paid approximately \$ 5.3 million of income tax, including excise tax, and had \$ 6.7 million of accrued, but unpaid tax expense as of December 31, 2024. For the year ended December 31, 2023, the Company paid approximately \$ 5.3 million of income tax, including excise tax, and had \$ 6.0 million of accrued, but unpaid tax expense as of December 31, 2023.

Additionally, the Company has taxable subsidiaries which hold certain portfolio investments in an effort to limit potential legal liability and/or comply with source-income type requirements contained in the RIC tax provisions of the Code. These taxable subsidiaries are consolidated for U.S. GAAP and the portfolio investments held by the taxable subsidiaries are included in the Company's consolidated financial statements and are recorded at fair value. These taxable subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities as a result of their ownership of certain portfolio investments. Any income generated by these taxable subsidiaries generally would be subject to tax at normal U.S. federal tax rates based on its taxable income.

In accordance with ASC 740, the Company evaluates tax positions taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold, or uncertain tax positions, would be recorded as a tax expense in the current year. It is the Company's policy to recognize accrued interest and penalties, if any, related to unrecognized tax benefits as a component of provision for income taxes. Based on an analysis of the Company's tax position, there are no uncertain tax positions that met the recognition or measurement criteria. The Company is currently not undergoing any tax examinations. The Company does not anticipate any significant increase or decrease in unrecognized tax benefits for the next twelve months. The 2020 – 2023 federal tax years for the Company remain subject to examination by the Internal Revenue Service. The 2019 – 2023 state tax years for the Company remain subject to examination by the state taxing authorities.

7. Stockholders' Equity and Distributions

The Company has issued and outstanding 170,575 thousand and 157,758 thousand shares of common stock as of December 31, 2024 and December 31, 2023, respectively. The Company currently sell shares through its equity distribution agreements (the "2024 Equity Distribution Agreements") with Citizens JMP Securities LLC and Jefferies LLC (the "Sales Agents") entered into on December 12, 2024. The 2024 Equity Distribution Agreements provide that the Company may offer and sell up to 30.0 million shares of its common stock from time to time through the Sales Agents. Sales of the Company's common stock, if any, may be made in negotiated transactions or transactions that are deemed to be "at the market," as defined in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), including sales made directly on the NYSE or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices. The 2024 Equity Distribution Agreements replaced the ATM equity distribution agreements between the Company and the Sales Agents executed on May 5, 2023.

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The Company issued and sold the following shares of common stock during the years ended December 31, 2024, 2023, and 2022:
(in millions, except per share data)

Year Ending December 31,	Number of Shares		Underwriting		Average Price/Share
	Issued	Gross Proceeds	Fees/Offering	Expenses	
2024	11.7	\$ 220.9	\$ 2.6	\$ 218.3	\$ 18.62
2023 ⁽¹⁾	22.7	\$ 344.3	\$ 6.1	\$ 338.2	\$ 14.88
2022	14.6	\$ 232.1	\$ 2.4	\$ 229.7	\$ 15.77

(1) Included in the activity, is 6.5 million shares of common stock sold through an upsized public offering on August 7, 2023 pursuant to an underwriting agreement with Morgan Stanley & Co. LLC, UBS Securities, and Wells Fargo Securities, LLC as joint book-running managers.

The Company generally uses net proceeds from these offerings to make investments, to repurchase or pay down liabilities and for general corporate purposes. As of December 31, 2024, approximately 30.0 million shares remain available for issuance and sale under the 2024 Equity Distribution Agreements.

The Company currently pays quarterly distributions to its stockholders. The following table summarizes the Company's distributions declared during the years ended December 31, 2024, 2023 and 2022:

(in thousands, except per share data)

Distribution Type	Declared Date	Record Date	Payment Date	Per Share Amount	Total Amount
Base	February 16, 2022	March 9, 2022	March 16, 2022	\$ 0.33	\$ 39,794
Supplemental	February 16, 2022	March 9, 2022	March 16, 2022	0.15	18,088
Base	April 27, 2022	May 17, 2022	May 24, 2022	0.33	41,245
Supplemental	April 27, 2022	May 17, 2022	May 24, 2022	0.15	18,748
Base	July 20, 2022	August 9, 2022	August 16, 2022	0.35	44,765
Supplemental	July 20, 2022	August 9, 2022	August 16, 2022	0.15	19,185
Base	October 13, 2022	November 10, 2022	November 17, 2022	0.36	47,472
Supplemental	October 13, 2022	November 10, 2022	November 17, 2022	0.15	19,780
Total distributions declared during the year ended December 31, 2022				1.97	\$ 249,077
Base	February 9, 2023	March 2, 2023	March 9, 2023	\$ 0.39	\$ 53,749
Supplemental	February 9, 2023	March 2, 2023	March 9, 2023	0.08	11,025
Base	April 27, 2023	May 16, 2023	May 23, 2023	0.39	55,910
Supplemental	April 27, 2023	May 16, 2023	May 23, 2023	0.08	11,469
Base	July 28, 2023	August 18, 2023	August 25, 2023	0.40	60,445
Supplemental	July 28, 2023	August 18, 2023	August 25, 2023	0.08	12,089
Base	October 26, 2023	November 15, 2023	November 22, 2023	0.40	61,345
Supplemental	October 26, 2023	November 15, 2023	November 22, 2023	0.08	12,269
Total distributions declared during the year ended December 31, 2023				1.90	\$ 278,301
Base	February 8, 2024	February 28, 2024	March 6, 2024	\$ 0.40	\$ 63,359
Supplemental	February 8, 2024	February 28, 2024	March 6, 2024	0.08	12,672
Base	April 25, 2024	May 14, 2024	May 21, 2024	0.40	64,912
Supplemental	April 25, 2024	May 14, 2024	May 21, 2024	0.08	12,982
Base	July 25, 2024	August 13, 2024	August 20, 2024	0.40	64,953
Supplemental	July 25, 2024	August 13, 2024	August 20, 2024	0.08	12,990
Base	October 24, 2024	November 13, 2024	November 20, 2024	0.40	66,980
Supplemental	October 24, 2024	November 13, 2024	November 20, 2024	0.08	13,396
Total distributions declared during the year ended December 31, 2024				1.92	\$ 312,244

In 2024, for income tax purposes, the distributions paid of \$ 1.92 per share were comprised of \$ 1.81 per share of ordinary income and \$ 0.11 per share of long-term capital gains. As of December 31, 2024, the Company estimates that it has generated undistributed taxable earnings "spillover" of \$ 0.96 per share. The undistributed taxable earnings spillover will be carried forward toward distributions to be paid in accordance with RIC requirements.

The Company has a distribution reinvestment plan, whereby the Company may buy shares of its common stock in the open market or issue new shares in order to satisfy dividend reinvestment requests. When the Company issues new shares in connection with the dividend reinvestment plan, the issue price is equal to the closing price of its common stock on the dividend record date. During the years ended December 31, 2024, 2023, and 2022, the Company issued 471,949 , 303,960 , and 259,466 shares, respectively, of common stock to stockholders in connection with the dividend reinvestment plan.

8. Equity Incentive Plans

The Company grants equity-based awards to employees and non-employee directors for the purpose of attracting and retaining the services of its executive officers, key employees, and members of the Board. The Company's equity-based awards are granted under the 2018 Equity Incentive Plan (the "2018 Plan") for employees and 2018 Non-Employee Director Plan (the "Director Plan") for non-employee directors. The 2018 Plan and the Director Plan were approved by stockholders on June 28, 2018 and unless earlier terminated by the Board, terminate on May 12, 2028. Subject to certain adjustments and permitted reversions of shares, the maximum aggregate number of shares that may be authorized for issuance under awards granted under the 2018 Plan and Director Plan is 9,261,229 shares and 300,000 shares, respectively. In connection with the issuance of shares under the 2018 Plan and Director Plan, the Company has registered, in aggregate, 18.7 million and 300,000 shares of common stock, respectively.

The Company has received exemptive relief from the SEC that permits it to issue restricted stock to non-employee directors under the Director Plan and restricted stock and restricted stock units to certain of its employees, officers, and directors (excluding non-employee directors) under the 2018 Plan. The exemptive order also allows participants in the Director Plan and the 2018 Plan to (i) elect to have the Company withhold shares of its common stock to pay for the exercise price and applicable taxes with respect to an option exercise ("net issuance exercise") and/or (ii) permit the holders of restricted stock to elect to have the Company withhold shares of its stock to pay the applicable taxes due on restricted stock at the time of vesting. Each individual employee would be able to make a cash payment to satisfy applicable tax withholding at the time of option exercise or vesting on restricted stock.

The Company has granted equity-based awards that have service and performance conditions. Certain of the Company's equity-based awards are classified as liability awards in accordance with ASC Topic 718, Compensation – Stock Compensation. All of the Company's equity-based awards require future service and are expensed over the relevant service period. The Company does not estimate forfeitures, and reverses all unvested costs associated with equity-awards in the period they are forfeited. For the years ended December 31, 2024, 2023, and 2022, the Company recognized \$ 12.8 million, \$ 13.2 million, and \$ 13.4 million of stock-based compensation expense in the Consolidated Statements of Operations, respectively. As of December 31, 2024 and 2023, approximately \$ 18.6 million and \$ 21.7 million of total unrecognized compensation costs expected to be recognized over the next 2.7 and 3.5 years, respectively.

Service-Vesting Awards

The Company grants equity-based awards which have service conditions, which generally begin to vest one-third after one year after the date of grant and ratably over the succeeding two years in accordance with the individual award terms. Certain awards have service conditions of longer duration and may begin to vest up to seven years after the date of grant. These equity-based awards which vest upon achievement of service conditions are collectively referred to as the "Service Vesting Awards". The grant date fair value of Service Vesting Awards granted during the years ended December 31, 2024, 2023, and 2022, were approximately \$ 16.8 million, \$ 22.2 million and \$ 11.1 million, respectively.

The Company has granted restricted stock equity awards in the form of restricted stock awards and restricted stock units. The Company determines the grant date fair values of restricted stock equity awards using the grant date stock close price. The activities for the Company's unvested restricted stock equity awards for each of the three years ended December 31, 2024, 2023, and 2022 are summarized below:

Year ended, December 31,						
2024			2023			2022
	Weighted Average	Grant Date Fair		Weighted Average	Grant Date Fair	Weighted Average
	Shares	Value per Share		Shares	Value per Share	Shares
Unvested Shares Beginning of Period	1,880,409	\$ 14.52		958,985	\$ 16.35	1,037,848
Granted	1,055,861	\$ 15.77		1,565,571	\$ 14.07	632,831
Vested ⁽¹⁾	(813,183)	\$ 14.54		(632,575)	\$ 16.15	(686,030)
Forfeited	(62,655)	\$ 12.96		(11,572)	\$ 15.42	(25,664)
Unvested Shares End of Period	2,060,432	\$ 12.24		1,880,409	\$ 14.52	958,985

(1) With respect to certain restricted stock equity awards granted prior to January 1, 2019, receipt of the shares of the Company's common stock underlying vested restricted stock equity awards were deferred for four years from grant date unless certain conditions are met. Accordingly, such vested restricted stock equity awards were not issued as common stock upon vesting until the completion of the deferral period.

In addition to the restricted stock equity-based awards, the Company has also issued stock options to certain employees. The fair value of options granted during the years ended December 31, 2024, 2023, and 2022, was approximately \$ 159,000 , \$ 148,000 and \$ 166,000 , respectively. During the years ended December 31, 2024, 2023, and 2022, approximately \$ 133,000 , \$ 105,000 , and \$ 76,000 of share-based cost due to stock option grants was expensed, respectively.

Performance-Vesting Awards

The Company has granted equity-based awards, which have market and performance conditions in addition to a service condition ("Performance Awards"). The value of these awards may increase dependent on increases to the Company's total stockholder return ("TSR"). As of December 31, 2024, 2023, or 2022, there were no unvested Performance Awards.

During the year ended December 31, 2024 and 2023, no Performance Awards were granted or vested. During the year ended December 31, 2024, no shares of distribution equivalent units ("Performance DEUs") were issued or vested. During the year ended December 31, 2023, 54,858 Performance DEUs were issued and vested immediately with a grant date fair value of \$ 0.7 million. During the year ended December 31, 2022, 639,413 Performance DEUs were issued and vested immediately with a grant date fair value of \$ 6.2 million.

Liability Classified Awards

The Company has granted equity-based awards which are subject to both service and performance conditions. These awards are settled either in cash or a fixed dollar value of shares, subject to the terms of each individual award, and therefore classified as liability awards (the "Liability Awards"). As of December 31, 2024, all Liability Awards have vested and have been settled. Generally, if the performance conditions of these types of awards are not met, the total compensation expense related to the Liability Awards may be less than the maximum granted value of the awards. The Company records Liability Awards as deferred compensation within Accounts Payable and Accrued Liabilities included on the Consolidated Statements of Assets and Liabilities.

Certain Liability Awards are structured similar to the Performance Awards and increase in value with corresponding increases to the Company's TSR and vest after four years . The Company remeasures the value of these awards each period based on the Company's TSR achieved to date. Certain other Liability Awards are linked to attainment of investment funding goals. The Company determines the fair value of these Liability Awards based on the expected probability of the performance conditions being met and recognized over the service period. The Company accrues for Liability Awards based on the expected probability that the performance conditions would be met, this assumption is re-evaluated each period, and may be adjusted to reflect changes in this assumption. Generally, the other Liability Awards vest over a three years service term.

During the year ended December 31, 2024, approximately \$ 0.5 million of compensation expense related to the Liability Awards recognized in the Consolidated Statements of Operations and no amounts remain outstanding. During the year ended December 31, 2024 and 2023, \$ 3.1 million and no Liability Awards vested, respectively.

As of December 31, 2023, all Liability Awards were unvested and there was approximately \$ 0.5 million of total unrecognized compensation costs expected to be recognized over a weighted average period of 0.3 years. During the year ended December 31, 2023, there were approximately \$ 1.4 million of compensation expense related to the Liability Awards recognized in the Consolidated Statements of Operations and \$ 2.6 million accrued within Accounts Payable and Accrued Liabilities in the Consolidated Statements of Assets and Liabilities. During the year ended December 31, 2023, no Liability Awards vested.

9. Earnings Per Share

Shares used in the computation of the Company's basic and diluted earnings per share are as follows:

(in thousands, except per share data)	Year Ended December 31,		
	2024	2023	2022
Numerator			
Net increase (decrease) in net assets resulting from operations	\$ 262,966	\$ 337,484	\$ 102,081
Less: Total distributions declared	(312,244)	(278,301)	(249,077)
Total Earnings (loss), net of total distributions	(49,278)	59,183	(146,996)
Earnings (loss), net of distributions attributable to common shares	(49,278)	58,593	(146,995)
Add: Distributions declared attributable to common shares	309,413	275,548	246,873
Numerator for basic and diluted change in net assets per common share	\$ 260,135	\$ 334,141	\$ 99,878
Denominator			
Basic weighted average common shares outstanding	161,082	144,091	125,189
Common shares issuable	517	735	1,470
Weighted average common shares outstanding assuming dilution	161,599	144,826	126,659
Change in net assets per common share:			
Basic	\$ 1.61	\$ 2.32	\$ 0.80
Diluted	\$ 1.61	\$ 2.31	\$ 0.79

In the table above, unvested share-based payment awards that have non-forfeitable rights to distributions or distribution equivalents are treated as participating securities for calculating earnings per share. Unvested common stock options and restricted stock units are also considered for the purpose of calculating diluted earnings per share.

The calculation of change in net assets resulting from operations per common share—assuming dilution, excludes all anti-dilutive shares. For the years ended December 31, 2024, 2023 and 2022, the number of anti-dilutive shares, as calculated based on the weighted average closing price of the Company's common stock for the periods, are as follows:

Anti-dilutive Securities	Year Ended December 31,		
	2024	2023	2022
Unvested common stock options	1,105	1,496	2,085
Restricted stock units	—	4,357	—
Unvested restricted stock awards	298	30,028	2,116

As of December 31, 2024 and 2023, the Company was authorized to issue 300.0 million and 200.0 million shares, respectively, of common stock with a par value of \$ 0.001 . Each share of common stock entitles the holder to one vote.

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10. Financial Highlights

Following is a schedule of financial highlights for the ten years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015:

(in thousands, except per share

data and ratios)

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019 ⁽⁷⁾	2018 ⁽⁷⁾	2017 ⁽⁷⁾	2016 ⁽⁷⁾	2015 ⁽⁷⁾
Per share data:⁽¹⁾										
Net asset value at beginning of period										
Net investment income	\$ 11.43	\$ 10.53	\$ 11.22	\$ 11.26	\$ 10.55	\$ 9.90	\$ 9.96	\$ 9.90	\$ 9.94	\$ 10.18
Net realized gain (loss)	2.02	2.11	1.50	1.29	1.39	1.41	1.20	1.17	1.36	1.06
Net unrealized appreciation (depreciation)	(0.20)	0.06	(0.01)	0.18	(0.50)	0.16	(0.12)	(0.32)	0.06	0.07
Total from investment operations	(0.19)	0.17	(0.68)	0.03	1.13	0.14	(0.23)	0.11	(0.49)	(0.51)
Net increase (decrease) in net assets from capital share transactions⁽¹⁾										
Net distributions of net investment income ⁽⁶⁾	1.63	2.34	0.81	1.50	2.02	1.71	0.85	0.96	0.93	0.62
Net distributions of capital gains ⁽⁶⁾	0.45	0.44	0.34	(0.08)	0.01	0.20	0.23	0.26	0.18	0.26
Stock-based compensation expense included in net investment income and other movements ⁽²⁾	(1.79)	(1.93)	(1.63)	(1.06)	(1.03)	(1.15)	(1.26)	(1.07)	(1.14)	(1.04)
Net distributions of capital gains ⁽⁶⁾	(0.15)	—	(0.36)	(0.49)	(0.36)	(0.18)	—	(0.18)	(0.11)	(0.22)
Stock-based compensation expense included in net investment income and other movements ⁽²⁾	0.09	0.05	0.15	0.09	0.07	0.07	0.12	0.09	0.10	0.14
Net asset value at end of period	\$ 11.66	\$ 11.43	\$ 10.53	\$ 11.22	\$ 11.26	\$ 10.55	\$ 9.90	\$ 9.96	\$ 9.90	\$ 9.94

Ratios and supplemental data:

Per share market value at end of period	\$ 20.09	\$ 16.67	\$ 13.22	\$ 16.59	\$ 14.42	\$ 14.02	\$ 11.05	\$ 13.12	\$ 14.11	\$ 12.19
Total return ⁽³⁾	32.78 %	42.00 %	(10.14)%	25.62 %	14.31 %	39.36 %	(7.56)%	1.47 %	26.87 %	(9.70)%
Shares outstanding at end of period	170,575	157,758	133,045	116,619	114,726	107,364	96,501	84,424	79,555	72,118
Weighted average number of common shares outstanding	161,082	144,091	125,189	114,742	111,985	101,132	90,929	82,519	73,753	69,479
Net assets at end of period	\$ 1,989,581	\$ 1,802,706	\$ 1,401,459	\$ 1,308,547	\$ 1,291,704	\$ 1,133,049	\$ 955,444	\$ 840,967	\$ 787,944	\$ 717,134
Ratio of total expense to average net assets ⁽⁴⁾	9.01 %	9.92 %	9.92 %	9.86 %	11.30 %	11.95 %	10.73 %	11.37 %	11.25 %	11.55 %
Ratio of net investment income before investment gains and losses to average net assets ⁽⁴⁾	17.50 %	19.26 %	13.96 %	11.28 %	13.64 %	13.74 %	11.78 %	11.61 %	13.65 %	10.15 %
Portfolio turnover rate ⁽⁵⁾	27.33 %	31.95 %	19.29 %	51.58 %	32.38 %	31.30 %	38.76 %	49.03 %	36.22 %	46.34 %
Weighted average debt outstanding	\$ 1,709,469	\$ 1,607,278	\$ 1,468,335	\$ 1,248,177	\$ 1,309,903	\$ 1,177,379	\$ 826,931	\$ 784,455	\$ 635,365	\$ 615,198
Weighted average debt per common share	\$ 10.61	\$ 11.15	\$ 11.73	\$ 10.88	\$ 11.70	\$ 11.64	\$ 9.09	\$ 9.51	\$ 8.61	\$ 8.85

(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) Adjusts for the impact of stock-based compensation expense, which is a non-cash expense and has no net impact to net asset value. Pursuant to ASC Topic 718, the expense is offset by a corresponding increase in paid-in capital. Additionally, adjusts for other items attributed to the difference between certain per share data based on the weighted-average basic shares outstanding and those calculated using the shares outstanding as of a period end or transaction date.

(3) The total return for the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 equals to the change in the ending market value over the beginning of the period price per share plus distributions paid per share during the period, divided by the beginning price assuming the distribution is reinvested on the date of the distribution. As such, the total return is not annualized. The total return does not reflect any sales load that must be paid by investors.

(4) The ratios are calculated based on weighted average net assets for the relevant period and are annualized.

(5) The portfolio turnover rate for the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 equals to the lesser of investment portfolio purchases or sales during the period, divided by the average investment portfolio value during the period. As such, portfolio turnover rate is not annualized.

(6) Includes distributions on unvested restricted stock awards.

11. Commitments and Contingencies

The Company's commitments and contingencies consist primarily of unfunded commitments to extend credit in the form of loans to the Company's portfolio companies. As of December 31, 2024, a portion of these unfunded contractual commitments are dependent upon the portfolio company reaching certain milestones before the debt commitment becomes available. Furthermore, the Company's credit agreements with its portfolio companies generally contain customary lending provisions which allow the Company relief from funding obligations for previously made unfunded commitments in instances where the underlying portfolio company experiences materially adverse events that affect the financial condition or business outlook for the portfolio company. Since a portion of these commitments may expire without being drawn, unfunded contractual commitments do not necessarily represent future cash requirements. As such, the Company's disclosure of unfunded contractual commitments includes only those which are available at the request of the portfolio company and unencumbered by future or unachieved milestones.

As of December 31, 2024 and December 31, 2023, the Company had approximately \$ 448.5 million and \$ 335.3 million, respectively, of available unfunded commitments, including undrawn revolving facilities, which were available at the request of the portfolio company and unencumbered by future or unachieved milestones. In order to draw a portion of the Company's available unfunded commitments, a portfolio company must submit to the Company a formal funding request that complies with the applicable advance notice and other operational requirements. The amounts disclosed exclude unfunded commitments (i) for which, with respect to a portfolio company's agreement, a milestone was achieved after the last day on which the portfolio company could have requested a drawdown funding to be completed within the reporting period; and (ii) related to the portion of portfolio company investments assigned to or directly committed by the Adviser Funds as described in "Note -13 Related Party Transactions". The fair value of the Company's unfunded commitments is considered to be immaterial as the yield determined at the time of underwriting is expected to be materially consistent with the yield upon funding, given that interest rates are generally pegged to market indices and given the existence of milestones, conditions and/or obligations embedded in the borrowing agreements.

As of December 31, 2024 and December 31, 2023, the Company's unfunded contractual commitments available at the request of the portfolio company, including undrawn revolving facilities, and unencumbered by milestones were as follows:

(in thousands)	Unfunded Commitments ⁽¹⁾ as of	
	December 31, 2024	December 31, 2023
Portfolio Company		
Debt Investments:		
Earnix, Inc.	\$ 41,250	\$ —
Arcus Biosciences, Inc.	37,500	—
Thumbtack, Inc.	30,000	40,000
GoEuro Travel GmbH	26,250	—
Armis, Inc.	25,000	—
Marathon Health, LLC	24,250	—
Disc Medicine, Inc.	22,500	—
Pindrop Security, Inc.	19,375	—
Coronet Cyber Security Ltd.	17,000	—
Locus Robotics Corp.	16,250	—
Akero Therapeutics, Inc.	15,000	15,000
Dragos, Inc.	13,000	13,000
Aryaka Networks, Inc.	12,500	—
WellBe Senior Medical, LLC	12,000	—
Harness, Inc.	11,550	—
Alector, Inc.	10,500	—
CoreView USA, Inc.	10,000	—
Strive Health Holdings, LLC	8,299	—
Suzy, Inc.	8,000	12,000
Heron Therapeutics, Inc.	8,000	4,000
Viridian Therapeutics, Inc.	8,000	—
Paylt, LLC	8,000	—
Curana Health Holdings, LLC	7,500	—
ATAI Life Sciences N.V.	7,000	—
Dashlane, Inc.	5,000	2,137
Babel Street	4,367	3,375

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(in thousands)	Unfunded Commitments ⁽¹⁾ as of	
Portfolio Company	December 31, 2024	December 31, 2023
AlphaSense, Inc.	\$ 4,000	—
Saama Technologies, LLC	3,875	3,875
Alvue Systems, LLC	3,590	3,590
LogRhythm, Inc.	3,143	—
Zappi, Inc.	2,571	2,571
Loftware, Inc.	2,277	2,277
Streamline Healthcare Solutions	2,200	2,200
New Relic, Inc.	2,176	2,176
Sumo Logic, Inc.	2,000	2,000
Ceros, Inc.	1,707	1,707
LogicSource	1,209	1,209
TaxCalc	1,166	—
LinenMaster, LLC	1,000	1,000
3GTMS, LLC	886	1,182
Main Street Rural, Inc.	874	10,500
Fortified Health Security	840	840
Omeda Holdings, LLC	731	731
Flight Schedule Pro, LLC	646	639
DroneDeploy, Inc.	625	6,250
Dispatch Technologies, Inc.	563	625
ShadowDragon, LLC	333	333
Zimperium, Inc.	196	3,727
Automation Anywhere, Inc.	—	29,400
Checkr Group, Inc.	—	23,625
Skydio, Inc.	—	22,500
Tarsus Pharmaceuticals, Inc.	—	20,625
Kura Oncology, Inc.	—	19,250
Tipalti Solutions Ltd.	—	10,500
Next Insurance, Inc.	—	10,000
Senseonics Holdings, Inc.	—	8,750
Elation Health, Inc.	—	7,500
Modern Life, Inc.	—	6,500
Phathom Pharmaceuticals, Inc.	—	6,120
Brain Corporation	—	5,000
Leapwork ApS	—	3,900
Riviera Partners LLC	—	3,000
Cutover, Inc.	—	2,650
Plentifulic Ltd	—	2,625
Altumint, Inc.	—	2,500
Yipit, LLC	—	2,250
Annex Cloud	—	1,750
ThreatConnect, Inc.	—	1,600
Ikon Science Limited	—	1,050
Agilence, Inc.	—	800
Constructor.io Corporation	—	625
Enmark Systems, Inc.	—	457
Alchemer LLC	—	445
Cybermaxx Intermediate Holdings, Inc.	—	390
Cytracom Holdings LLC	—	72
Total Unfunded Debt Commitments:	444,699	330,828

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(in thousands)	Unfunded Commitments ⁽¹⁾ as of	
Portfolio Company	December 31, 2024	December 31, 2023
Investment Funds & Vehicles⁽²⁾		
Forbion Growth Opportunities Fund II C.V.	2,072	2,748
Forbion Growth Opportunities Fund I C.V.	1,757	1,757
Total Unfunded Commitments in Investment Funds & Vehicles:	3,829	4,505
Total Unfunded Commitments	\$ 448,528	\$ 335,333

(1) For debt investments, amounts represent unfunded commitments, including undrawn revolving facilities, which are available at the request of the portfolio company. Amount excludes unfunded commitments which are unavailable due to the borrower having not met certain milestones. These amounts also exclude \$ 139.7 million and \$ 127.7 million of unfunded commitments as of December 31, 2024, and December 31, 2023, respectively, to portfolio companies related to loans assigned to or directly committed by the Adviser Funds as described in "Note -13 Related Party Transactions".

(2) For investment funds and vehicles, the amount represents uncalled capital commitments in private equity funds.

The following table provides additional information on the Company's unencumbered unfunded commitments regarding milestones, expirations and type:

(in thousands)	December 31, 2024	December 31, 2023
Unfunded Debt Commitments:		
Expiring during:		
2024	\$ —	\$ 291,896
2025	251,941	3,004
2026	147,840	7,537
2027	10,553	14,078
2028	6,040	6,547
2029	24,149	3,590
2030	4,176	4,176
Total Unfunded Debt Commitments	444,699	330,828
Unfunded Commitments in Investment Funds & Vehicles:		
Expiring during:		
2030	1,757	1,757
2032	2,072	2,748
Total Unfunded Commitments in Investment Funds & Vehicles	3,829	4,505
Total Unfunded Commitments	\$ 448,528	\$ 335,333

The following tables provide the Company's contractual obligations as of December 31, 2024 and December 31, 2023:

As of December 31, 2024:	Payments due by period (in thousands)				
Contractual Obligations ⁽¹⁾	Total	Less than 1 year	1 - 3 years	3 - 5 years	After 5 years
Debt ⁽²⁾⁽³⁾	\$ 1,783,265	\$ 170,000	\$ 891,000	\$ 283,790	\$ 438,475
Lease and License Obligations ⁽⁴⁾	23,976	3,246	6,640	5,589	8,501
Total	\$ 1,807,241	\$ 173,246	\$ 897,640	\$ 289,379	\$ 446,976

As of December 31, 2023:	Payments due by period (in thousands)				
Contractual Obligations ⁽¹⁾	Total	Less than 1 year	1 - 3 years	3 - 5 years	After 5 years
Debt ⁽⁵⁾⁽³⁾	\$ 1,570,000	\$ 105,000	\$ 689,000	\$ 411,000	\$ 365,000
Lease and License Obligations ⁽⁴⁾	26,741	2,539	6,629	6,248	11,325
Total	\$ 1,596,741	\$ 107,539	\$ 695,629	\$ 417,248	\$ 376,325

(1) Excludes commitments to extend credit to the Company's portfolio companies and uncalled capital commitments in investment funds.

(2) Includes \$ 279.0 million in principal outstanding under the SBA Debentures, \$ 50.0 million of the February 2025 Notes, \$ 70.0 million of the June 2025 Notes, \$ 50.0 million of the June 2025 3-Year Notes, \$ 50.0 million of the March 2026 A Notes, \$ 50.0 million of the March 2026 B Notes, \$ 119.5 million of the 2031 Asset-Backed Notes, \$ 40.0 million of the 2033 Notes, \$ 325.0 million of the September 2026 Notes, and \$ 350.0 million of the January 2027 Notes as of December 31, 2024. There was also \$ 283.8 million outstanding under the SMBC Facility and \$ 116.0 million outstanding under the MUFG Bank Facility as of December 31, 2024.

(3) Amounts represent future principal repayments and not the carrying value of each liability. See "Note 5 – Debt".

(4) Leases and license obligations includes contractual amounts related to short-term leases.

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(5) Includes \$ 175.0 million in principal outstanding under the SBA Debentures, \$ 105.0 million of the July 2024 Notes, \$ 50.0 million of the February 2025 Notes, \$ 70.0 million of the June 2025 Notes, \$ 50.0 million of the June 2025 3-Year Notes, \$ 50.0 million of the March 2026 A Notes, \$ 50.0 million of the March 2026 B Notes, \$ 150.0 million of the 2031 Asset-Backed Notes, \$ 40.0 million of the 2033 Notes, \$ 325.0 million of the September 2026 Notes and \$ 350.0 million of the January 2027 Notes as of December 31, 2023. There was also \$ 94.0 million outstanding under the SMBC Facility and \$ 61.0 million outstanding under the MUFG Bank Facility as of December 31, 2023.

Certain premises are leased or licensed under agreements which expire at various dates through July 2034. Total rent expense, including short-term leases, amounted to approximately \$ 3.5 million, \$ 3.4 million, and \$ 3.2 million, during the years ended December 31, 2024, 2023, and 2022, respectively. The Company recognizes an operating lease liability and a ROU asset for all leases, with the exception of short-term leases. The lease payments on short-term leases are recognized as rent expense on a straight-line basis. The discount rate applied to measure each ROU asset and lease liability is based on the Company's incremental weighted average cost of debt. The Company considers the general economic environment and its credit rating and factors in various financing and asset specific adjustments to ensure the discount rate applied is appropriate to the intended use of the underlying lease. While some of the leases contained options to extend and terminate, it is not reasonably certain that either option will be utilized and therefore, only the payments in the initial term of the leases were included in the lease liability and ROU asset.

The following table sets forth information related to the measurement of the Company's operating lease liabilities and supplemental cash flow information related to operating leases as of December 31, 2024 and 2023:

(in thousands)	Year Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Total operating lease cost	\$ 2,873	\$ 2,382		
Cash paid for amounts included in the measurement of lease liabilities	\$ 1,865	\$ 2,499		
<hr/>				
As of December 31, 2024 As of December 31, 2023				
Weighted-average remaining lease term (in years)	7.81	8.68		
Weighted-average discount rate	6.85 %	6.79 %		

The following table shows future minimum lease payments under the Company's operating leases and a reconciliation to the operating lease liability as of December 31, 2024:

(in thousands)	As of December 31,	
	2024	
2025	\$ 3,088	
2026	3,179	
2027	3,452	
Thereafter	14,090	
Total lease payments	23,809	
Less: imputed interest & other items	(5,615)	
Total operating lease liability	\$ 18,194	

The Company may, from time to time, be involved in litigation arising out of its operations in the normal course of business or otherwise. Furthermore, third parties may try to seek to impose liability on the Company in connection with the activities of its portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, the Company does not expect any current matters will materially affect the Company's financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on the Company's financial condition or results of operations in any future reporting period.

12. Indemnification

The Company has entered into indemnification agreements with its directors and executive officers. The indemnification agreements are intended to provide its directors and executive officers the maximum indemnification permitted under Maryland law and the 1940 Act. Each indemnification agreement provides that the Company shall indemnify the director or executive officer who is a party to the agreement, or an "Indemnitee," including the advancement of legal expenses, if, by reason of his or her corporate status, the Indemnitee is, or is threatened to be, made a party to or a witness in any threatened, pending, or completed proceeding, to the maximum extent permitted by Maryland law and the 1940 Act.

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The Company and its executives and directors are covered by directors and officers insurance, with the directors and officers being indemnified by the Company to the maximum extent permitted by Maryland law subject to the restrictions in the 1940 Act.

13. Related Party Transactions

As disclosed in "Note 1 - Description of Business", the Adviser Subsidiary is the Company's wholly owned registered investment adviser business, comprised of the collectively held and presented entities Hercules Adviser LLC, Hercules Capital Management, LLC, and Hercules Partner Holdings, LLC entities. The Adviser Subsidiary is accounted for as a portfolio investment of the Company held at fair value. The Adviser Subsidiary has entered into investment management agreements with its privately offered Adviser Funds, and it receives management fees based on the assets under management of the Adviser Funds. In addition, the general partner interests (the "GP Interests") held by Hercules Partner Holdings, LLC may receive incentive fees based on the performance of the Adviser Funds. Both the Adviser Subsidiary and Hercules Partner Holdings, LLC are owned by Hercules Capital Management LLC. The following table summarized the total income from the Adviser Subsidiary for the years ended December 31, 2024 and 2023:

(in millions)	Year Ended December 31,	
	2024	2023
Interest income	\$ 0.6	\$ 0.6
Dividend income	6.8	1.4

Refer to "Note 4 – Investments" for additional information related to income, gains and losses recognized related to the Company's investment.

The Company has a shared services agreement ("Sharing Agreement") with the Adviser Subsidiary, through which the Adviser Subsidiary has access to the Company's human capital resources (including administrative functions) and other resources and infrastructure (including office space and technology). Under the terms of the Sharing Agreement, the Company allocates the related expenses of shared services to the Adviser Subsidiary based on direct time spent, investment activity, and proportion of assets under management depending on the nature of the expense. The Company's total expenses for the years ended December 31, 2024 and 2023, are net of expenses allocated to the Adviser Subsidiary of \$ 10.8 million and \$ 9.1 million, respectively. As of December 31, 2024 and 2023, there was less than \$ 0.1 million and \$ 0.1 million receivable, respectively from the Adviser Subsidiary.

In addition, the Company may from time-to-time make investments alongside the Adviser Funds or assign a portion of investments to the Adviser Funds in accordance with the Company's allocation policy. The assigned investment activities for the years ended December 31, 2024 and 2023, are summarized below:

(in millions)	Year Ended December 31,	
	2024	2023
Investment commitments assigned to or directly committed by the Advisor Funds	\$ 562.1	\$ 595.6
Investment fundings assigned to, directly originated or funded by the Advisor Funds	383.2	350.7
Amounts received by the Company from the Advisor Funds relating to assigned investments	6.0	12.1

14. Subsequent Events

Dividend Distribution Declaration

On February 6, 2025, the Board declared (i) a fourth quarter cash distribution of \$ 0.40 per share and (ii) a supplemental cash distribution of \$ 0.28 per share, to be paid in four quarterly distributions of \$ 0.07 per share beginning with the first quarter of 2025 (the "\$ 0.28 Supplemental Cash Distribution"). The fourth quarter cash distribution and the first quarterly distribution of the \$ 0.28 Supplemental Cash Distribution (a total of \$ 0.47 per share) will be paid on March 5, 2025 to stockholders of record as of February 26, 2025.

February 2025 Notes Redemption

On February 5, 2025, the Company fully repaid the aggregate outstanding \$ 50.0 million principal and \$ 1.1 million of accrued interest pursuant to the terms of the February 2025 Notes.

Third Amendment to the SMBC LC Facility

On February 5, 2025, the Company entered into the Third Amendment to the SMBC LC Facility (the "SMBC Third Amendment to LC Facility Agreement"), which amends the Letter of Credit Facility Agreement, dated as of January 13, 2023, as amended by the First Amendment to Letter of Credit Facility Agreement, dated as of March 21, 2023, and the Second Amendment to Letter of Credit Facility Agreement, dated as of June 28, 2024 (collectively, the "SMBC LC

Facility Agreement" and, as amended by the SMBC Third Amendment to LC Facility Agreement, the "SMBC Amended LC Facility Agreement") with SMBC, as issuing bank. The SMBC Third Amendment to LC Facility Agreement amends certain provisions of the SMBC LC Facility Agreement to, among other things, (i) change the margin that applies with respect to any "term benchmark" disbursement or "RFR" disbursement, if the borrowing base is less than the product of 1.60 and the letter of credit exposure, from 1.475 % to 1.450 %, (ii) change the commitment fee the Company will pay to SMBC from 0.35 % to 0.40 % per annum on the average daily unused amount of the then-current commitment, and (iii) extend the final maturity date of the SMBC LC Facility from January 13, 2026, to February 5, 2028.

Equity Offering

As of February 6, 2025, through its ATM program, the Company sold 2.0 million shares of common stock for \$ 39.8 million of net proceeds.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable.

Item 9A. Controls and Procedures

1. Disclosure Controls and Procedures

The Company's chief executive and chief financial officers, under the supervision and with the participation of the Company's management, conducted an evaluation of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. As of the end of the period covered by this Annual Report, the Company's chief executive and chief financial officers have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports that the Company files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's chief executive and chief financial officers, as appropriate to allow timely decisions regarding required disclosure.

2. Internal Control Over Financial Reporting

a. Management's Annual Report on Internal Control over Financial Reporting

The Company is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the SEC, internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial and accounting officer, approved and monitored by the Company's Board, and implemented by management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP.

The Company's internal control over financial reporting is supported by written policies and procedures, that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management of the Company conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 based on criteria established in *Internal Control— Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework"). Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2024.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm who also audited the Company's consolidated financial statements, as stated in their report, which is included in this Annual Report on Form 10K.

Changes in Internal Control over Financial Reporting in 2024

There have been no changes in the Company's internal control over financing reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, which occurred during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

The following tables are being provided to update, as of December 31, 2024, certain information in the Company's registration statement on Form N-2 (File No. 333-283735) filed with the SEC on December 11, 2024.

Fees and Expenses

The following table is intended to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. However, we caution you that some of the percentages indicated in the table below are estimates and may vary. The footnotes to the fee table state which items are estimates. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by "you" or "us" or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in Hercules Capital, Inc.

Stockholder Transaction Expenses (as a percentage of the public offering price):

Sales load (as a percentage of offering price) ⁽¹⁾	—	%
Offering expenses	—	% ⁽²⁾
Dividend reinvestment plan fees	—	% ⁽³⁾
Total stockholder transaction expenses (as a percentage of the public offering price)	—	% ⁽⁴⁾

Annual Expenses (as a percentage of net assets attributable to common stock)⁽⁵⁾

Operating expenses	4.38	% ⁽⁶⁾⁽⁷⁾
Interest and fees paid in connection with borrowed funds	4.62	% ⁽⁸⁾
Acquired fund fees and expenses	0.01	% ⁽¹⁰⁾
Total annual expenses	9.01	% ⁽⁹⁾

- (1) In the event that our securities are sold to or through underwriters, a corresponding prospectus supplement to the Prospectus will disclose the applicable sales load.
- (2) In the event that we conduct an offering of our securities, a corresponding prospectus supplement to this prospectus will disclose the estimated offering expenses.
- (3) The expenses associated with the administration of our dividend reinvestment plan are included in "Operating expenses." We pay all brokerage commissions incurred with respect to open market purchases, if any, made by the administrator under the plan. For more details about the plan, see "Dividend Reinvestment Plan."
- (4) Total stockholder transaction expenses may include sales load and will be disclosed in a future prospectus supplement, if any.
- (5) "Net assets attributable to common stock" equals the weighted average net assets for the year ended December 31, 2024, which is approximately \$1,861.6 million.
- (6) "Operating expenses" represent our actual operating expenses incurred for the twelve months ended December 31, 2024.
- (7) We do not have an investment adviser and are internally managed by our executive officers under the supervision of our Board. As a result, we do not pay investment advisory fees, but instead we pay the operating costs associated with employing investment management professionals.
- (8) "Interest and fees paid in connection with borrowed funds" represent our interest, fees, and credit facility expenses incurred for the year ended December 31, 2024.
- (9) "Total annual expenses" is the sum of "Operating expenses", "Interest and fees paid in connection with borrowed funds", and "Acquired fund fees and expenses". "Total annual expenses" is presented as a percentage of weighted average net assets attributable to common stockholders, because the holders of shares of our common stock (and not the holders of our debt securities or preferred stock, if any) bear all of our fees and expenses, including the fees and expenses of our wholly-owned consolidated subsidiaries, all of which are included in this fee table presentation.
- (10) "Acquired fund fees and expenses" represent the estimated indirect expense incurred due to investments in other investment companies and private funds.

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. These amounts are based upon our payment of annual operating expenses at the levels set forth in the table above and assume no additional leverage.

	1 Year	3 Years	5 Years	10 Years
Would pay the following expenses on a \$1,000 investment, assuming a 5% annual return	\$ 88	\$ 255	\$ 408	742

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or lesser than those shown. Moreover, while the example assumes, as required by the applicable rules of the SEC, a 5% annual return, our performance will vary and may result in a return greater or lesser than

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5%. In addition, while the example assumes reinvestment of all distributions at NAV, participants in our dividend reinvestment plan may receive shares valued at the market price in effect at that time. This price may be at, above or below NAV. See "Dividend Reinvestment Plan" for additional information regarding our dividend reinvestment plan.

Senior Securities

Information about our senior securities is shown in the following table. The information as of and for each of the years ended December 31, 2024, 2023, 2022, 2021, and 2020, is derived from our consolidated financial statements, which have been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm, as stated in their report which is included herein.

Class and Year	Total Amount			Average Market Value per Unit ⁽³⁾	
	Outstanding		Asset Coverage per Unit ⁽²⁾		
	Exclusive of	Treasury Securities ⁽¹⁾			
Securitized Credit Facility with Wells Fargo Capital Finance					
December 31, 2015	\$ 50,000,000	\$ 26,352		N/A	
December 31, 2016	\$ 5,015,620	\$ 290,234		N/A	
December 31, 2017 ⁽⁷⁾	—	—		N/A	
December 31, 2018	\$ 13,106,582	\$ 147,497		N/A	
December 31, 2019 ⁽⁷⁾	—	—		N/A	
December 31, 2020 ⁽⁷⁾	—	—		N/A	
December 31, 2021 ⁽⁷⁾	—	—		N/A	
Secured Credit Facility with MUFG Bank Ltd. (MUFG)⁽⁹⁾					
December 31, 2015 ⁽⁷⁾	—	—		N/A	
December 31, 2016 ⁽⁷⁾	—	—		N/A	
December 31, 2017 ⁽⁷⁾	—	—		N/A	
December 31, 2018	\$ 39,849,010	\$ 48,513		N/A	
December 31, 2019	\$ 103,918,736	\$ 23,423		N/A	
December 31, 2020 ⁽⁷⁾	—	—		N/A	
December 31, 2021 ⁽⁷⁾	—	—		N/A	
December 31, 2022	\$ 107,000,000	\$ 27,964		N/A	
December 31, 2023	\$ 61,000,000	\$ 55,250		N/A	
December 31, 2024	\$ 116,000,000	\$ 32,511		N/A	
Secured Credit Facility with Sumitomo Mitsui Banking Corporation (SMBC)					
December 31, 2021	\$ 29,924,726	\$ 85,479		N/A	
December 31, 2022	\$ 72,000,000	\$ 41,558		N/A	
December 31, 2023	\$ 94,000,000	\$ 35,854		N/A	
December 31, 2024	283,789,800	\$ 13,289		N/A	
Small Business Administration Debentures (HT II)⁽⁴⁾					
December 31, 2015	\$ 41,200,000	\$ 31,981		N/A	
December 31, 2016	\$ 41,200,000	\$ 35,333		N/A	
December 31, 2017	\$ 41,200,000	\$ 39,814		N/A	
December 31, 2018	—	—		N/A	
Small Business Administration Debentures (HT III)⁽⁵⁾					
December 31, 2015	\$ 149,000,000	\$ 8,843		N/A	
December 31, 2016	\$ 149,000,000	\$ 9,770		N/A	
December 31, 2017	\$ 149,000,000	\$ 11,009		N/A	
December 31, 2018	\$ 149,000,000	\$ 12,974		N/A	
December 31, 2019	\$ 149,000,000	\$ 16,336		N/A	
December 31, 2020	\$ 99,000,000	\$ 26,168		N/A	
December 31, 2021	—	—		N/A	
Small Business Administration Debentures (HC IV)⁽⁶⁾					
December 31, 2021	\$ 150,500,000	\$ 16,996		N/A	
December 31, 2022	\$ 175,000,000	\$ 17,098		N/A	
December 31, 2023	\$ 175,000,000	\$ 19,259		N/A	
December 31, 2024	\$ 175,000,000	\$ 21,550		N/A	

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Class and Year	Total Amount			Average Market Value per Unit ⁽³⁾	
	Outstanding Exclusive of Treasury Securities ⁽¹⁾	Asset Coverage per Unit ⁽²⁾			
		Asset Coverage per Unit ⁽²⁾			
Small Business Administration Debentures (SBIC V)⁽¹⁰⁾					
December 31, 2024	\$ 104,000,000	\$ 36,263		N/A	
2016 Convertible Notes					
December 31, 2015	\$ 17,604,000	\$ 74,847	\$ 1,110		
December 31, 2016	—	—	—	N/A	
April 2019 Notes					
December 31, 2015	\$ 64,489,500	\$ 20,431	\$ 1,017		
December 31, 2016	\$ 64,489,500	\$ 22,573	\$ 1,022		
December 31, 2017	—	—	—	N/A	
September 2019 Notes					
December 31, 2015	\$ 45,875,000	\$ 28,722	\$ 1,009		
December 31, 2016	\$ 45,875,000	\$ 31,732	\$ 1,023		
December 31, 2017	—	—	—	N/A	
2022 Notes					
December 31, 2017	\$ 150,000,000	\$ 10,935	\$ 1,014		
December 31, 2018	\$ 150,000,000	\$ 12,888	\$ 976		
December 31, 2019	\$ 150,000,000	\$ 16,227	\$ 1,008		
December 31, 2020	\$ 150,000,000	\$ 17,271	\$ 1,017		
December 31, 2021	\$ 150,000,000	\$ 17,053	\$ 1,019		
December 31, 2022	—	—	—	N/A	
2024 Notes					
December 31, 2015	\$ 103,000,000	\$ 12,792	\$ 1,014		
December 31, 2016	\$ 252,873,175	\$ 5,757	\$ 1,016		
December 31, 2017	\$ 183,509,600	\$ 8,939	\$ 1,025		
December 31, 2018	\$ 83,509,600	\$ 23,149	\$ 1,011		
December 31, 2019	—	—	—	N/A	
2025 Notes					
December 31, 2018	\$ 75,000,000	\$ 25,776	\$ 962		
December 31, 2019	\$ 75,000,000	\$ 32,454	\$ 1,032		
December 31, 2020	\$ 75,000,000	\$ 34,541	\$ 1,020		
December 31, 2021	—	—	—	N/A	
2033 Notes					
December 31, 2018	\$ 40,000,000	\$ 48,330	\$ 934		
December 31, 2019	\$ 40,000,000	\$ 60,851	\$ 1,054		
December 31, 2020	\$ 40,000,000	\$ 64,765	\$ 1,072		
December 31, 2021	\$ 40,000,000	\$ 63,948	\$ 1,067		
December 31, 2022	\$ 40,000,000	\$ 74,804	\$ 984		
December 31, 2023	\$ 40,000,000	\$ 84,256	\$ 1,010		
December 31, 2024	\$ 40,000,000	\$ 94,283	\$ 1,007		
July 2024 Notes					
December 31, 2019	\$ 105,000,000	\$ 23,181	N/A		
December 31, 2020	\$ 105,000,000	\$ 24,672	N/A		
December 31, 2021	\$ 105,000,000	\$ 24,361	N/A		
December 31, 2022	\$ 105,000,000	\$ 28,497	N/A		
December 31, 2023	\$ 105,000,000	\$ 32,098	N/A		
December 31, 2024	—	—	—	N/A	
February 2025 Notes					
December 31, 2020	\$ 50,000,000	\$ 51,812	N/A		
December 31, 2021	\$ 50,000,000	\$ 51,159	N/A		
December 31, 2022	\$ 50,000,000	\$ 59,843	N/A		
December 31, 2023	\$ 50,000,000	\$ 67,405	N/A		

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Class and Year	Total Amount			Average Market Value per Unit ⁽³⁾	
	Outstanding	Exclusive of			
		Treasury Securities ⁽¹⁾	Asset Coverage per Unit ⁽²⁾		
December 31, 2024	\$ 50,000,000	\$ 75,426		N/A	
June 2025 Notes					
December 31, 2020	\$ 70,000,000	\$ 37,009		N/A	
December 31, 2021	\$ 70,000,000	\$ 36,542		N/A	
December 31, 2022	\$ 70,000,000	\$ 42,745		N/A	
December 31, 2023	\$ 70,000,000	\$ 48,146		N/A	
December 31, 2024	\$ 70,000,000	\$ 53,876		N/A	
June 2025 3-Year Notes					
December 31, 2022	\$ 50,000,000	\$ 59,843		N/A	
December 31, 2023	\$ 50,000,000	\$ 67,405		N/A	
December 31, 2024	\$ 50,000,000	\$ 75,426		N/A	
March 2026 A Notes					
December 31, 2020	\$ 50,000,000	\$ 51,812		N/A	
December 31, 2021	\$ 50,000,000	\$ 51,159		N/A	
December 31, 2022	\$ 50,000,000	\$ 59,843		N/A	
December 31, 2023	\$ 50,000,000	\$ 67,405		N/A	
December 31, 2024	\$ 50,000,000	\$ 75,426		N/A	
March 2026 B Notes					
December 31, 2021	\$ 50,000,000	\$ 51,159		N/A	
December 31, 2022	\$ 50,000,000	\$ 59,843		N/A	
December 31, 2023	\$ 50,000,000	\$ 67,405		N/A	
December 31, 2024	\$ 50,000,000	\$ 75,426		N/A	
September 2026 Notes					
December 31, 2021	\$ 325,000,000	\$ 7,871		N/A	
December 31, 2022	\$ 325,000,000	\$ 9,207		N/A	
December 31, 2023	\$ 325,000,000	\$ 10,370		N/A	
December 31, 2024	\$ 325,000,000	\$ 11,604		N/A	
January 2027 Notes					
December 31, 2022	\$ 350,000,000	\$ 8,549		N/A	
December 31, 2023	\$ 350,000,000	\$ 9,629		N/A	
December 31, 2024	\$ 350,000,000	\$ 10,775		N/A	
2017 Asset-Backed Notes					
December 31, 2015	—	—		N/A	
2021 Asset-Backed Notes					
December 31, 2015	\$ 129,300,000	\$ 10,190	\$ 996		
December 31, 2016	\$ 109,205,263	\$ 13,330	\$ 1,002		
December 31, 2017	\$ 49,152,504	\$ 33,372	\$ 1,001		
December 31, 2018	—	—	—	N/A	
2027 Asset-Backed Notes					
December 31, 2018	\$ 200,000,000	\$ 9,666	\$ 1,006		
December 31, 2019	\$ 200,000,000	\$ 12,170	\$ 1,004		
December 31, 2020	\$ 180,988,022	\$ 14,314	\$ 1,001		
December 31, 2021	—	—	—	N/A	
2028 Asset-Backed Notes					
December 31, 2019	\$ 250,000,000	\$ 9,736	\$ 1,004		
December 31, 2020	\$ 250,000,000	\$ 10,362	\$ 1,002		
December 31, 2021	—	—	—	N/A	
2031 Asset-Backed Notes					
December 31, 2022	\$ 150,000,000	\$ 19,948	\$ 951		
December 31, 2023	\$ 150,000,000	\$ 22,468	\$ 950		
December 31, 2024	\$ 119,475,297	\$ 31,566	\$ 963		

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Class and Year			Total Amount			
	Outstanding	Exclusive of			Average Market Value	
			Treasury Securities ⁽¹⁾	Asset Coverage per Unit ⁽²⁾		per Unit ⁽³⁾
2022 Convertible Notes						
December 31, 2017	\$ 230,000,000	\$ 7,132	\$ 1,028			
December 31, 2018	\$ 230,000,000	\$ 8,405	\$ 946			
December 31, 2019	\$ 230,000,000	\$ 10,583	\$ 1,021			
December 31, 2020	\$ 230,000,000	\$ 11,264	\$ 1,027			
December 31, 2021	\$ 230,000,000	\$ 11,121	\$ 1,026			
December 31, 2022	—	—	N/A			
Total Senior Securities⁽⁸⁾						
December 31, 2015	\$ 600,468,500	\$ 2,194	N/A			
December 31, 2016	\$ 667,658,558	\$ 2,180	N/A			
December 31, 2017	\$ 802,862,104	\$ 2,043	N/A			
December 31, 2018	\$ 980,465,192	\$ 1,972	N/A			
December 31, 2019	\$ 1,302,918,736	\$ 1,868	N/A			
December 31, 2020	\$ 1,299,988,022	\$ 1,993	N/A			
December 31, 2021	\$ 1,250,424,726	\$ 2,046	N/A			
December 31, 2022	\$ 1,594,000,000	\$ 1,877	N/A			
December 31, 2023	\$ 1,570,000,000	\$ 2,147	N/A			
December 31, 2024	\$ 1,783,265,097	\$ 2,115	N/A			

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, including senior securities not subject to asset coverage requirements under the 1940 Act due to exemptive relief from the SEC, divided by senior securities representing indebtedness. This asset coverage ratio is multiplied by \$1,000 to determine the Asset Coverage per Unit.

(3) Not applicable because senior securities are not registered for public trading.

(4) Issued by Hercules Technology II, L.P. ("HT II"), one of our prior SBIC subsidiaries, to the Small Business Association ("SBA"). On July 13, 2018, we completed repayment of the remaining outstanding HT II debentures and subsequently surrendered the SBA license with respect to HT II. These categories of senior securities were not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC.

(5) Issued by HT III, one of our prior SBIC subsidiaries, to the SBA. On May 5, 2021, we completed repayment of the remaining outstanding HT III debentures and subsequently surrendered the SBA license with respect to HT III. These categories of senior securities were not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC.

(6) Issued by HC IV, one of our SBIC subsidiaries, to the SBA. These categories of senior securities are not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC.

(7) The Company's Wells Facility and MUFG Bank Facility had no borrowings outstanding as of the periods noted above.

(8) The total senior securities and Asset Coverage per Unit shown for those securities do not represent the asset coverage ratio requirement under the 1940 Act, because the presentation includes senior securities not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC. As of December 31, 2024, our asset coverage ratio under our regulatory requirements as a business development company was 231.7% excluding our SBA debentures as a result of our exemptive order from the SEC which allows us to exclude all SBA leverage from our asset coverage ratio.

(9) The June 2022 amendment of the MUFG Bank Facility replaced the Union Bank Facility via an amendment as the lead lender.

(10) Issued by SBIC V, one of our SBIC subsidiaries, to the SBA. These categories of senior securities are not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC..

Rule 10b5-1 Trading Plans

On June 27, 2024, Scott Bluestein, chief executive officer and director, adopted a written plan for the sale of our common stock that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan covered the sale of up to 100,000 shares of the Company's common stock over a period commencing after the later of (1) 91 days from the adoption date or (2) the earlier of (a) the third business day following the public disclosure of the Company's financial results on Form 10-Q for the quarter ended June 30, 2024 or (b) 121 days after the adoption date, and terminated on December 15, 2024 or upon the earlier completion of all authorized transactions under the plan. On September 26, 2024, all authorized transactions were completed under the plan and the plan terminated.

During the fourth quarter ended December 31, 2024, no directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information in response to this Item is incorporated herein by reference to the information provided in the Company's definitive Proxy Statement for the Company's 2025 Annual Meeting of Stockholders, or the 2025 Proxy Statement, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act under the headings "Proposal 1: Election of Three Directors," and "Biographical Information".

The Company has adopted a code of business conduct and ethics that applies to directors, officers and employees. The code of business conduct and ethics is available on the Company's website at <http://www.htgc.com>. The Company will report any substantive amendments to or waivers of a required provision of the code of business conduct and ethics on the Company's website or in a Form 8-K.

Item 11. Executive Compensation

The information with respect to compensation of executives and directors is contained under the headings "Compensation Discussion Analysis," "Compensation Committee Report" and "Compensation Tables" in the Company's 2025 Proxy Statement and is incorporated in this Annual Report by reference in response to this item.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information with respect to security ownership of certain beneficial owners and management is contained under the headings "Security Ownership of Certain Beneficial Owners and Management" and "Compensation Tables" in the Company's 2025 Proxy Statement and is incorporated in this Annual Report by reference in response to this item.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information with respect to certain relationships and related transactions is contained under the heading "Proposal 1: Election of Three Directors" in the Company's 2025 Proxy Statement and is incorporated in this Annual Report by reference in response to this item.

Item 14. Principal Accountant Fees and Services

The information with respect to principal accountant fees and services is contained under the heading "Proposal 3: Ratification of Selection of Independent Registered Public Accountant for the Fiscal Year Ending December 31, 2025" in the Company's 2025 Proxy Statement and is incorporated in this Annual Report by reference to this item.

PART IV

Item 15. Exhibits and Financial Statement Schedules

1. Financial Statements

The following financial statements of the "Company" are filed herewith:

AUDITED FINANCIAL STATEMENTS

Consolidated Statements of Assets and Liabilities as of December 31, 202 4 and December 31, 202 3	75
Consolidated Statements of Operations for the three years ended December 31, 202 4	76
Consolidated Statements of Changes in Net Assets for the three years ended December 31, 202 4	77
Consolidated Statements of Cash Flows for the three years ended December 31, 202 4	78
Consolidated Schedule of Investments as of December 31, 202 4	79
Consolidated Schedule of Investments as of December 31, 202 3	92
Notes to Consolidated Financial Statements	105

2. The following financial statement schedules are filed herewith:

Consolidated Schedule of Investments In and Advances to Affiliates as of December 31, 202 4	151
Consolidated Schedule of Investments In and Advances to Affiliates as of December 31, 202 3	152

3. Exhibits required to be filed by Item 601 of Regulation S-K.

Item 15. 2. Consolidated Schedule of Investments In and Advances to Affiliates as of December 31, 2024 and 2023

Schedules 12-14

HERCULES CAPITAL, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS IN AND ADVANCES TO AFFILIATES
As of and for the year ended December 31, 2024

(in thousands)

Portfolio Company	Investment ⁽¹⁾	Amount of						Net Change in								
		Interest, Dividends and Fees Credited to Income ⁽²⁾		Fair Value as of December 31,		Gross Additions ⁽³⁾	Gross Reductions ⁽⁴⁾	Unrealized Appreciation/ (Depreciation)	Fair Value as of December 31, 2024							
		Realized Gain (Loss)	2023													
Control Investments																
Majority Owned Control Investments																
Coronado Aesthetics, LLC ⁽⁸⁾	Preferred Stock	\$ —	\$ —	\$ 260	\$ —	—	—	\$ (191)	\$ 69							
	Common Stock	—	—	2	—	—	—	(2)	—							
Gibraltar Acquisition LLC ⁽⁵⁾	Unsecured Debt	5,447	—	34,478	1,734	—	—	—	36,212							
	Member Units	—	—	28,034	—	—	—	(4,983)	23,051							
Hercules Adviser LLC ⁽⁶⁾	Unsecured Debt	7,410	—	12,000	—	—	—	—	12,000							
	Member Units	—	—	28,713	—	—	—	1,477	30,190							
Total Majority Owned Control Investments		\$ 12,857	\$ —	\$ 103,487	\$ 1,734	\$ —	\$ —	\$ (3,699)	\$ 101,522							
Other Control Investments																
Tectura Corporation ⁽⁷⁾	Senior Debt	\$ 692	\$ —	\$ 8,250	\$ —	\$ —	\$ —	\$ (223)	\$ 8,027							
	Preferred Stock	—	—	3,263	—	—	—	360	3,623							
	Common Stock	—	—	4	—	—	—	3	7							
Total Other Control Investments		\$ 692	\$ —	\$ 11,517	\$ —	\$ —	\$ —	\$ 140	\$ 11,657							
Total Control Investments		\$ 13,549	\$ —	\$ 115,004	\$ 1,734	\$ —	\$ —	\$ (3,559)	\$ 113,179							

(1) Stock and warrants are generally non-income producing and restricted.

(2) Represents the total amount of interest, fees, or dividends credited to income for the period an investment was an affiliate or control investment.

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, paid-in-kind interest or dividends, the amortization of discounts and closing fees and the exchange of one or more existing securities for one or more new securities.

(4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include previously recognized depreciation on investments that become control or affiliate investments during the period.

(5) As of March 31, 2018, the Company's investment in Gibraltar Acquisition LLC became classified as a control investment as a result of obtaining a controlling financial interest. Gibraltar Acquisition LLC is a wholly-owned subsidiary, which is the holding company for their wholly-owned affiliated portfolio companies, Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC. The subsidiary has no significant assets or liabilities, other than their equity and debt investments and equity interest in Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC, respectively.

(6) Hercules Adviser LLC is owned by Hercules Capital Management LLC and presented with Hercules Partner Holdings, LLC which are both wholly owned by the Company. Please refer to "Note 1 - Description of Business" for additional disclosure.

(7) As of March 31, 2017, the Company's investment in Tectura Corporation became classified as a control investment as of result of obtaining more than 50% representation on the portfolio company's board. In May 2018, the Company purchased common shares, thereby obtaining greater than 25% of voting securities of Tectura as of June 30, 2018.

(8) As of December 31, 2021, the Company's investment in Coronado Aesthetics, LLC became classified as a control investment as a result of obtaining more than 25% of the voting securities of the portfolio company.

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Schedule 12 – 14

HERCULES CAPITAL, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS IN AND ADVANCES TO AFFILIATES
As of and for the year ended December 31, 2023

(in thousands)

Portfolio Company	Investment ⁽¹⁾	Amount of						Net Change in		
		Interest and		Fair Value as of			Unrealized	Fair Value as of		
		Fees Credited to	Realized Gain	December 31,	Gross	Gross		Appreciation/		
Portfolio Company	Investment ⁽¹⁾	Interest Income ⁽²⁾	(Loss)	December 31, 2022	Additions ⁽³⁾	Reductions ⁽⁴⁾	Unrealized Appreciation/ (Depreciation)	December 31, 2023		
Control Investments										
Majority Owned Control Investments										
Coronado Aesthetics, LLC ⁽⁸⁾	Preferred Stock	\$ —	\$ —	313	\$ —	\$ —	\$ (53)	\$ 260		
	Common Stock	—	—	6	—	—	(4)	2		
Gibraltar Acquisition, LLC (p.k.a. Gibraltar Business Capital, LLC) ⁽⁵⁾	Unsecured Debt	3,439	—	21,700	9,912	—	2,866	34,478		
	Member Units	—	—	15,244	6,000	—	6,790	28,034		
Hercules Adviser LLC ⁽⁶⁾	Unsecured Debt	608	—	12,000	—	—	—	—	12,000	
	Member Units	—	—	19,153	—	—	9,560	28,713		
Total Majority Owned Control Investments		\$ 4,047	\$ —	\$ 68,416	\$ 15,912	\$ —	\$ 19,159	\$ 103,487		
Other Control Investments										
Tectura Corporation ⁽⁷⁾	Senior Debt	\$ 690	\$ —	8,042	\$ —	\$ (13,263)	\$ 13,471	\$ 8,250		
	Preferred Stock	—	—	—	13,263	—	(10,000)	3,263		
	Common Stock	—	—	—	—	—	4	4		
Total Other Control Investments		\$ 690	\$ —	\$ 8,042	\$ 13,263	\$ (13,263)	\$ 3,475	\$ 11,517		
Total Control Investments		\$ 4,737	\$ —	\$ 76,458	\$ 29,175	\$ (13,263)	\$ 22,634	\$ 115,004		

(1) Stock and warrants are generally non-income producing and restricted.

(2) Represents the total amount of interest, fees, or dividends credited to income for the period an investment was an affiliate or control investment.

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, paid-in-kind interest or dividends, the amortization of discounts and closing fees and the exchange of one or more existing securities for one or more new securities.

(4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include previously recognized depreciation on investments that become control or affiliate investments during the period.

(5) As of March 31, 2018, the Company's investment in Gibraltar Acquisition LLC (p.k.a. Gibraltar Business Capital, LLC) became classified as a control investment as a result of obtaining a controlling financial interest. Gibraltar Acquisition LLC is a wholly-owned subsidiary, which is the holding company for their wholly-owned affiliated portfolio companies, Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC. The subsidiary has no significant assets or liabilities, other than their equity and debt investments and equity interest in Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC, respectively.

(6) Hercules Adviser LLC is owned by Hercules Capital Management LLC and presented with Hercules Partner Holdings, LLC which are both wholly owned by the Company. Please refer to "Note 1 - Description of Business" for additional disclosure.

(7) As of March 31, 2017, the Company's investment in Tectura Corporation became classified as a control investment as of result of obtaining more than 50% representation on the portfolio company's board. In May 2018, the Company purchased common shares, thereby obtaining greater than 25% of voting securities of Tectura as of June 30, 2018.

(8) As of December 31, 2021, the Company's investment in Coronado Aesthetics, LLC became classified as a control investment as a result of obtaining more than 25% of the voting securities of the portfolio company.

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HERCULES CAPITAL, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS IN AND ADVANCES TO AFFILIATES
As of and for the year ended December 31, 2024

(in thousands)

Portfolio Company	Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal or Shares	Cost	Value ⁽²⁾
Control Investments							
Majority Owned Control Investments							
Coronado Aesthetics, LLC	Medical Devices & Equipment	Preferred Series A Equity			5,000,000	\$ 250	\$ 69
	Medical Devices & Equipment	Common Stock			180,000	—	—
Total Coronado Aesthetics, LLC						\$ 250	\$ 69
Gibraltar Acquisition LLC ⁽³⁾	Diversified Financial Services	Unsecured Debt	September 2026	FIXED 3.45 %, PIK Interest 8.05 %	\$ 26,569	26,337	26,337
	Diversified Financial Services	Unsecured Debt	September 2026	FIXED 11.95 %	\$ 10,000	9,875	9,875
	Diversified Financial Services	Member Units			1	34,006	23,051
Total Gibraltar Acquisition, LLC						\$ 70,218	\$ 59,263
Hercules Adviser LLC ⁽⁴⁾	Diversified Financial Services	Unsecured Debt	June 2025	FIXED 5.00 %	\$ 12,000	12,000	12,000
	Diversified Financial Services	Member Units			1	35	30,190
Total Hercules Adviser LLC						\$ 12,035	\$ 42,190
Total Majority Owned Control Investments (5.10 %)*						\$ 82,503	\$ 101,522
Other Control Investments							
Tectura Corporation	Consumer & Business Services	Senior Secured Debt	January 2027	FIXED 8.25 %	\$ 8,250	\$ 8,250	\$ 8,027
	Consumer & Business Services	Common Stock			414,994,863	900	7
	Consumer & Business Services	Preferred Series BB Equity			1,000,000	—	17
	Consumer & Business Services	Preferred Series C Equity			3,235,298	13,263	3,606
Total Tectura Corporation						\$ 22,413	\$ 11,657
Total Other Control Investments (0.59 %)*						\$ 22,413	\$ 11,657
Total Control Investments (5.69 %)*						\$ 104,916	\$ 113,179

* Value as a percent of net assets

(1) Stock and warrants are generally non-income producing and restricted.

(2) All of the Company's control and affiliate investments are Level 3 investments valued using significant unobservable inputs.

(3) Gibraltar Acquisition LLC is a wholly-owned subsidiary, which is the holding company for their wholly-owned affiliated portfolio companies, Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC. The subsidiary has no significant assets or liabilities, other than their equity and debt investments and equity interest in Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC, respectively.

(4) Hercules Adviser LLC is owned by Hercules Capital Management LLC and presented with Hercules Partner Holdings, LLC which are both wholly owned by the Company. Please refer to "Note 1 - Description of Business" for additional disclosure.

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HERCULES CAPITAL, INC.
CONSOLIDATED SCHEDULE OF INVESTMENTS IN AND ADVANCES TO AFFILIATES
As of and for the year ended December 31, 2023

(in thousands)

Portfolio Company	Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Shares	Principal or Cost	Value ⁽²⁾
Control Investments							
Majority Owned Control Investments							
Coronado Aesthetics, LLC	Medical Devices & Equipment	Preferred Series A Equity			5,000,000	\$ 250	\$ 260
	Medical Devices & Equipment	Common Stock			180,000	—	2
Total Coronado Aesthetics, LLC						\$ 250	\$ 262
Gibraltar Acquisition, LLC (p.k.a. Gibraltar Business Capital, LLC) ⁽³⁾	Diversified Financial Services	Unsecured Debt	September 2026	FIXED 11.50 %	\$ 25,000	24,663	24,663
	Diversified Financial Services	Unsecured Debt	September 2026	FIXED 11.95 %	\$ 10,000	9,815	9,815
	Diversified Financial Services	Member Units			1	34,006	28,034
Total Gibraltar Business Capital, LLC						\$ 68,484	\$ 62,512
Hercules Adviser LLC ⁽⁴⁾	Diversified Financial Services	Unsecured Debt	June 2025	FIXED 5.00 %	\$ 12,000	12,000	12,000
	Diversified Financial Services	Member Units			1	35	28,713
Total Hercules Adviser LLC						\$ 12,035	\$ 40,713
Total Majority Owned Control Investments (5.74 %)*						\$ 80,769	\$ 103,487
Other Control Investments							
Tectura Corporation	Consumer & Business Services	Senior Secured Debt	July 2024	FIXED 8.25 %	\$ 8,250	\$ 8,250	\$ 8,250
	Consumer & Business Services	Common Stock				414,994,863	900 4
	Consumer & Business Services	Preferred Series BB Equity				1,000,000	— 12
	Consumer & Business Services	Preferred Series C Equity				3,235,298	13,263 3,251
Total Tectura Corporation							\$ 22,413 \$ 11,517
Total Other Control Investments (0.64 %)*						\$ 22,413	\$ 11,517
Total Control Investments (6.38 %)*						\$ 103,182	\$ 115,004

* Value as a percent of net assets

(1) Stock and warrants are generally non-income producing and restricted.

(2) All of the Company's control and affiliate investments are Level 3 investments valued using significant unobservable inputs.

(3) Gibraltar Acquisition LLC is a wholly-owned subsidiary, which is the holding company for their wholly-owned affiliated portfolio companies, Gibraltar Business Capital, LLC and Gibraltar Equipment Finance, LLC. The subsidiary has no significant assets or liabilities, other than their equity and debt investments and equity interest in Gibraltar Business Capital, LLC and Gibraltar Equipment Finance LLC, respectively.

(4) Hercules Adviser LLC is owned by Hercules Capital Management LLC and presented with Hercules Partner Holdings, LLC which are both wholly owned by the Company. Please refer to "Note 1 - Description of Business" for additional disclosure.

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Item 15. 3. Exhibits

Please note that the agreements included as exhibits to this Form 10-K are included to provide information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement that have been made solely for the benefit of the other parties to the applicable agreement and may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit	
Number	Description
3(a)	Articles of Amendment and Restatement.⁽²⁾
3(b)	Articles of Amendment, dated March 6, 2007.⁽⁴⁾
3(c)	Articles of Amendment, dated April 5, 2011.⁽⁵⁾
3(d)	Articles of Amendment, dated April 3, 2015.⁽¹¹⁾
3(e)	Articles of Amendment, dated February 23, 2016.⁽¹⁴⁾
3(f)	Articles of Amendment, dated October 28, 2024.⁽⁵¹⁾
3(g)	Amended and Restated Bylaws of Hercules Capital, Inc.⁽⁴⁸⁾
4(a)	Specimen certificate of the Company's common stock, par value \$.001 per share.⁽¹⁾
4(b)	Form of Dividend Reinvestment Plan.⁽³⁶⁾
4(c)	Indenture, dated March 6, 2012 between the Registrant and U.S. Bank National Association.⁽¹⁰⁾
4(d)	Sixth Supplemental Indenture, dated as of September 24, 2018, between the Registrant and U.S. Bank National Association.⁽³¹⁾
4(e)	Form of 6.25% Note due 2033, dated September 24, 2018 (included as part of Exhibit 4(d)).⁽³¹⁾
4(f)	Seventh Supplemental Indenture, dated as of September 16, 2021, between the Registrant and U.S. Bank, National Association.⁽⁴⁴⁾
4(g)	Form of 2.625% Note due 2026, dated September 16, 2021 (included as part of Exhibit 4(f)).⁽⁴⁴⁾
4(h)*	Description of the Registrant's Securities.
4(i)	Indenture, dated as of June 22, 2022, between Hercules Capital Funding Trust 2022-1, as Issuer, and U.S. Bank Trust Company National Association, as Trustee.⁽⁴⁶⁾
4(j)	Form of 4.95% Note due 2031 (included as part of Exhibit 4(i)).⁽⁴⁶⁾
4(k)	Amended and Restated Trust Agreement, dated as of June 22, 2022, between Hercules Capital Funding 2022-1 LLC, as Trust Depositor, and Wilmington Trust, National Association, as Owner Trustee.⁽⁴⁶⁾
4(l)	Eighth Supplemental Indenture, dated as of January 20, 2022, between the Registrant and U.S. Bank National Association.⁽³⁷⁾
4(m)	Form of 3.375% Note due 2027 (included as part of Exhibit 4(l)).⁽³⁷⁾
10(a)	Form of SBA Debenture.⁽⁸⁾
10(b)†	Form of Amended and Restated Indemnification Agreement.⁽²⁰⁾
10(c)	Retention Agreement, dated as of October 26, 2017, by and between Hercules Capital, Inc. and Scott Bluestein.⁽²⁵⁾
10(d)	Form of Cash Retention Bonus Award Agreement.⁽²⁷⁾
10(e)†	Hercules Capital, Inc. Amended and Restated 2018 Equity Incentive Plan.⁽³²⁾
10(f)†	Hercules Capital, Inc. 2018 Non-Employee Director Plan.⁽³²⁾
10(g)†	Form of Restricted Stock Unit Award Agreement.⁽³²⁾
10(h)†	Form of Restricted Stock Award Agreement (2018 Equity Incentive Plan).⁽³²⁾
10(i)†	Form of Restricted Stock Award Agreement (Director Plan).⁽³²⁾
10(j)†	Form of Nonstatutory Stock Option Award Agreement.⁽³²⁾
10(k)†	Form of Incentive Stock Option Award Agreement.⁽³²⁾
10(l)	Note Purchase Agreement, dated July 16, 2019, by and among Hercules Capital, Inc. and the Purchasers party thereto.⁽³⁵⁾
10(m)	Custodial Agreement by and between Hercules Capital, Inc. and State Street Bank and Trust Company, dated as of November 9, 2021.⁽⁴⁵⁾
10(n)	Note Purchase Agreement, dated February 5, 2020, by and among Hercules Capital, Inc. and the Purchasers party thereto.⁽³⁸⁾
10(o)	Loan and Security Agreement, dated February 20, 2020 by and among Hercules Funding IV LLC, as borrower, MUFG Union Bank, N.A., as the administrative agent, lender and swingline lender and the lenders party thereto from time to time.⁽³⁹⁾
10(p)	Sale and Servicing Agreement, dated as of February 20, 2020, by and among Hercules Funding IV LLC, as borrower, Hercules Capital, Inc., as originator and servicer, and MUFG Union Bank, N.A., as agent.⁽³⁹⁾
10(q)	Form of Equity Distribution Agreement.⁽⁴²⁾
10(r)	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.⁽⁴¹⁾
10(s)	Revolving Credit Agreement, dated as of November 9, 2021, among Hercules Capital, Inc., the lenders and using bank from time to time party thereto and Sumitomo Mitsui Banking Corporation, as administrative agent.⁽⁴³⁾
10(t)	Safekeeping Custody Agreement between Hercules Funding IV LLC and City National Bank, a National Banking Association dated as of June 23, 2021.⁽²⁹⁾

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10(u)	Second Amendment to Revolving Credit Agreement, dated of June 14, 2022, among Hercules Capital Inc., the lenders party thereto and Sumitomo Mitsui Banking Corporation, as administrative agent.⁽⁴⁷⁾
10(v)	Second Amendment to Loan and Security Agreement, dated as of June 10, 2022, among Hercules Funding IV LLC, the lenders from time to time party thereto, MUFG Union Bank, N.A., as resigning agent, and MUFG Bank, Ltd. (as successor to MUFG Union Bank, N.A.), as administrative agent.⁽⁴⁷⁾
10(w)	Letter of Credit Facility Agreement, dated as of January 13, 2023, between Hercules Capital, Inc. and Sumitomo Mitsui Banking Corporation, as issuing bank.⁽⁴⁹⁾
10(x)	First Omnibus Amendment to Revolving Credit Agreement and Guarantee and Security Agreement, dated as of January 13, 2023, among Hercules Capital, Inc., the lenders party thereto and Sumitomo Mitsui Banking Corporation, as administrative agent and collateral agent.⁽⁴⁹⁾
10(y)	Third Amendment to Loan and Security Agreement, dated as of January 13, 2023, among Hercules Funding IV LLC, as borrower, the lenders from time to time party thereto, and MUFG Bank, Ltd., as agent, a joint lead arranger, swingline lender and sole bookrunner.⁽⁴⁹⁾
10(z)	First Amendment to Sale and Servicing Agreement, dated as of January 13, 2023, among Hercules Funding IV LLC, as borrower, Hercules Capital, Inc., as originator and servicer, and MUFG Bank, Ltd., as agent.⁽⁴⁹⁾
10(aa)	Transfer Agency and Service Agreement, dated October 3, 2022, between Hercules Capital, Inc. and Computershare Trust Company, N.A. and Computershare Inc.⁽⁴⁶⁾
	Sale and Servicing Agreement, dated as of June 22, 2022, by and among Hercules Capital Funding Trust 2022-1, as Issuer, Hercules Capital, Inc., as Seller and Servicer, Hercules Capital Funding 2022-1 LLC, as Trust Depositor, U.S. Bank Trust Company, National Association, as Trustee and Securities Intermediary, and U.S. Bank National Association, as Backup Servicer and Custodian.⁽⁴⁶⁾
10(bb)	Sale and Contribution Agreement, dated as of June 22, 2022, between Hercules Capital, Inc., as Seller, and Hercules Capital Funding 2022-1 LLC, as Trust Depositor.⁽⁴⁶⁾
10(cc)	Note Purchase Agreement, dated as of June 22, 2022, by and among Hercules Capital, Inc., as Originator and Servicer, Hercules Capital Funding 2022-1 LLC, as Trust Depositor, Hercules Capital Funding Trust 2022-1, as Issuer, and American Family Life Assurance Company of Columbus, Allianz Life Insurance Company of North America, Compsource Mutual Insurance Company, The Lincoln National Life Insurance Company, Massachusetts Mutual Life Insurance Company, Great American Life Insurance Company, and Fidelity & Guaranty Life Insurance Company, as Purchasers.⁽⁴⁶⁾
10(dd)	Administration Agreement, dated June 22, 2022, by and among Hercules Capital, Inc., as Administrator, Hercules Capital Funding Trust 2022-1, as Issuer, Wilmington Trust National Association, as Owner Trustee, and U.S. Bank Trust Company, National Association, as Trustee.⁽⁴⁶⁾
10(ee)	Second Supplement to the Note Purchase Agreement, dated as of June 23, 2022, by and among Hercules Capital, Inc. and the Additional Purchasers party thereto.⁽⁴⁶⁾
10(ff)	Form of Long-Term Restricted Stock Unit.⁽⁴⁹⁾
10(gg) [†]	First Amendment to Letter of Credit Facility, dated as of March 21, 2023, among Hercules Capital, Inc. and Sumitomo Mitsui Banking Corporation.⁽⁵⁰⁾
10(ii)	Second Amendment to Letter of Credit Facility Agreement, dated as of June 28, 2024, between Hercules Capital, Inc. and Sumitomo Mitsui Banking Corporation, as issuing bank.⁽⁵²⁾
10(jj)	Fourth Amendment to Revolving Credit Agreement, dated of June 28, 2024, among Hercules Capital Inc., the lenders party thereto and Sumitomo Mitsui Banking Corporation, as administrative agent.⁽⁵²⁾
10(kk)	Fifth Amendment to Revolving Credit Agreement, dated as of November 26, 2024, between the Registrant, the lenders party thereto and Sumitomo Mitsui Banking Corporation, as administrative agent.⁽⁵³⁾
10(lI)	Third Amendment to Letter of Credit Facility Agreement, dated as of February 5, 2025, between Hercules Capital, Inc. and Sumitomo Mitsui Banking Corporation.⁽⁵⁵⁾
14.1	Code of Ethics.⁽⁵⁴⁾
14.2	Code of Business Conduct and Ethics.⁽⁵⁴⁾
19.1*	Insider Trading Policy.
21.1*	List of Subsidiaries.
23.1*	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), as amended.
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), as amended.
97	Form of Clawback Policy.⁽⁵⁴⁾
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.

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101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2024, has been formatted in Inline XBRL.
*	Filed herewith
**	Furnished herewith
^	Pursuant to Item 601(a)(5) of Regulation S-K, certain exhibits and schedules have been omitted. The registrant hereby agrees to furnish supplementally a copy of any omitted attachment to the SEC upon request.
†	Management contract or compensatory plan or arrangement
(1)	Previously filed as part of Pre-Effective Amendment No. 2, as filed on June 8, 2005 (File No. 333-122950), to the Registration Statement on Form N-2 of the Company.
(2)	Previously filed as part of Pre-Effective Amendment No. 1, as filed on May 17, 2005 (File No. 333-122950) to the Registration Statement on Form N-2 of the Company.
(3)	Reserved.
(4)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on March 9, 2007.
(5)	Previously filed as part of the Registration Statement on Form N-2 of the Company, as filed on February 22, 2005.
(6)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on January 5, 2017.
(7)	Previously filed as part of the Registration Statement on Form S-8, as filed on October 2, 2007.
(8)	Previously filed as part of the Annual Report on Form 10-K of the Company, as filed on March 16, 2009.
(9)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on April 11, 2011.
(10)	Previously filed as part of Post-Effective Amendment No. 1, as filed on April 17, 2012 (File No. 333-179431), to the Registration Statement on Form N-2 of the Company.
(11)	Previously filed as part of the Registration Statement on Form N-2 of the Company, as filed on April 20, 2015 (File No. 333-203511).
(12)	Reserved.
(13)	Reserved.
(14)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on February 25, 2016.
(15)	Reserved.
(16)	Reserved.
(17)	Reserved.
(18)	Reserved.
(19)	Reserved.
(20)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on July 22, 2016.
(21)	Previously filed as part of Post-Effective Amendment No. 1, as filed on June 10, 2005 (File No. 333-122950) to the Registration Statement on Form N-2 of the Company.
(22)	Reserved.
(23)	Reserved.
(24)	Reserved.
(25)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on October 26, 2017.
(26)	Reserved.
(27)	Previously filed as part of the Quarterly Report on Form 10-Q of the Company, as filed on May 3, 2018.
(28)	Reserved.
(29)	Previously filed as part of the Registration Statement on Form N-2 of the Company, as filed on December 17, 2021 (File No. 333-261732).
(30)	Reserved.
(31)	Previously filed as part of Post-Effective Amendment No. 2, as filed on September 24, 2018 (File No. 333-224281), to the Registration Statement on Form N-2 of the Company.
(32)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on January 31, 2019.
(33)	Reserved.
(34)	Reserved.
(35)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on July 16, 2019.
(36)	Previously filed as part of the Quarterly Report on Form 10-Q of the Company, as filed on November 2, 2022.
(37)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on January 21, 2022.
(38)	Previously filed as part of the Quarterly Report on Form 8-K of the Company, as filed on February 6, 2020.
(39)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on February 20, 2020.
(40)	Reserved.
(41)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on November 4, 2020.
(42)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on December 12, 2024.
(43)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on November 10, 2021
(44)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on September 16, 2021.
(45)	Previously filed as part of the Annual Report on Form 10-K of the Company, as filed on February 22, 2022.
(46)	Previously filed as part of the Quarterly Report on Form 10-Q of the Company, as filed on July 28, 2022.
(47)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on June 15, 2022.
(48)	Previously filed as part of the Current Report on Form 8-K of the Company, as filed on March 20, 2020.
(49)	Previously filed as part of the Annual Report on Form 10-K of the Company, as filed on February 16, 2023.
(50)	Previously filed as part of the Quarterly Report on Form 10-Q of the Company, as filed on May 4, 2023.
(51)	Previously filed as part of the Quarterly Report on Form 10-Q of the Company, filed on October 30, 2024.
(52)	Previously filed as part of the Quarterly Report on Form 10-Q of the Company, filed on August 1, 2024.
(53)	Previously filed as a part of the Current Report on Form 8-K of the Company, filed on December 2, 2024.
(54)	Previously filed as part of the Annual Report on Form 10-K of the Company, filed on February 15, 2024.
(55)	Previously filed as part of the Current Report on Form 8-K of the Company, filed on February 5, 2025.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HERCULES CAPITAL, INC.

Date: February 13, 2025

By: _____ /S/ Scott Bluestein

Scott Bluestein
Chief Executive Officer and Chief Investment Officer

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the following capacities on February 13, 2025.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/S/ Scott Bluestein	Director, President, Chief Executive Officer, and Chief Investment Officer (Principal Executive Officer)	February 13, 2025
Scott Bluestein		
/S/ Seth H. Meyer	Chief Financial Officer and Chief Accounting Officer (Principal Accounting and Financial Officer)	February 13, 2025
Seth H. Meyer		
/S/ Robert P. Badavas	Chairman of the Board	February 13, 2025
Robert P. Badavas		
/S/ DeAnne Aguirre	Director	February 13, 2025
DeAnne Aguirre		
/S/ Gayle Crowell	Director	February 13, 2025
Gayle Crowell		
/S/ Thomas Fallon	Director	February 13, 2025
Thomas Fallon		
/S/ Wade Loo	Director	February 13, 2025
Wade Loo		
/S/ Pam Randhawa	Director	February 13, 2025
Pam Randhawa		
/S/ Nikos Theodosopoulos	Director	February 13, 2025
Nikos Theodosopoulos		

DESCRIPTION OF OUR SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES
EXCHANGE ACT OF 1934

As of December 31, 2024, Hercules Capital, Inc. ("we," "our," "Hercules," or the "Company") had the following classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (i) our common stock, par value \$0.001 per share ("common stock") and (ii) our 6.25% Notes due 2033 (the "2033 Notes" or our "Debt Securities").

DESCRIPTION OF OUR CAPITAL STOCK

The following description is based on relevant portions of the Maryland General Corporation Law, as amended (the "MGCL"), and on our charter and bylaws. This summary may not contain all of the information that is important to you, and we refer you to the MGCL and our charter and bylaws for a more detailed description of the provisions summarized below.

Common Stock

Under the terms of our charter, our authorized capital stock consists of 300,000,000 shares of common stock, par value \$0.001 per share, of which 173,154,658 shares are outstanding as of February 6, 2025. Under our charter, our Board of Directors is authorized to classify and reclassify any unissued shares of stock into other classes or series of stock, and to cause the issuance of such shares, without obtaining stockholder approval. In addition, as permitted by the MGCL, but subject to the Investment Company Act of 1940, as amended (the "1940 Act"), our charter provides that the Board of Directors, without any action by our stockholders, may amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

All shares of our common stock have equal rights as to earnings, assets, distributions and voting privileges, except as described below and, when they are issued, will be duly authorized, validly issued, fully paid and nonassessable.

Distributions may be paid to the holders of our common stock if, as and when authorized by our Board of Directors and declared by us out of assets legally available therefor. Shares of our common stock have no conversion, exchange, preemptive or redemption rights. In the event of a liquidation, dissolution or winding up of Hercules each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock will possess exclusive voting power. There is no cumulative voting in the election of directors.

Title of Class	Amount Authorized	Amount Held by Company for its Account	Amount Outstanding
Common Stock, \$0.001 par value per share	300,000,000	—	173,154,658

Preferred Stock

Our charter authorizes our Board of Directors to classify and reclassify any unissued shares of stock into other classes or series of stock, including preferred stock. Prior to issuance of shares of each class or series, the Board of Directors is required by Maryland law and by our charter to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the Board of Directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest. You should note, however, that any issuance of preferred stock must comply with the requirements of the 1940 Act. The 1940 Act requires, among other things, that (1) immediately after issuance and before any dividend or other distribution is made with respect to our common stock and before any purchase of common stock is made, such preferred stock together with all other senior securities must not exceed an amount

equal to 50% of our total assets after deducting the amount of such dividend, distribution or purchase price, as the case may be, and (2) the holders of shares of preferred stock, if any are issued, must be entitled as a class to elect two directors at all times and to elect a majority of the directors if distributions on such preferred stock are in arrears by two years or more. Certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock. We believe that the availability for issuance of preferred stock will provide us with increased flexibility in structuring future financings and acquisitions.

Limitation on Liability of Directors and Officers; Indemnification and Advance of Expenses

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Our charter authorizes us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her service in any such capacity, except with respect to any matter as to which such person shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that their action was in our best interest or to be liable to us or our stockholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office. Our charter also provides that, to the maximum extent permitted by Maryland law, with the approval of our Board of Directors and provided that certain conditions described in our charter are met, we may pay certain expenses incurred by any such indemnified person in advance of the final disposition of a proceeding upon receipt of an undertaking by or on behalf of such indemnified person to repay amounts we have so paid if it is ultimately determined that indemnification of such expenses is not authorized under our charter. Our bylaws obligate us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in any such capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity, except with respect to any matter as to which such person shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that their action was in our best interest or to be liable to us or our stockholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office. Our bylaws also provide that, to the maximum extent permitted by Maryland law, with the approval of our Board of Directors and provided that certain conditions described in our bylaws are met, we may pay certain expenses incurred by any such indemnified person in advance of the final disposition of a proceeding upon receipt of an undertaking by or on behalf of such indemnified person to repay amounts we have so paid if it is ultimately determined that indemnification of such expenses is not authorized under our bylaws.

Maryland law requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless in either case a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

We currently have in effect a directors' and officers' insurance policy covering our directors and officers and us for any acts and omissions committed, attempted or allegedly committed by any director or officer during the policy period. The policy is subject to customary exclusions.

Provisions of the MGCL and Our Charter and Bylaws

The MGCL and our charter and bylaws contain provisions that could make it more difficult for a potential acquiror to acquire us by means of a tender offer, proxy contest or otherwise. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our Board of Directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

Classified Board of Directors

Our Board of Directors is divided into three classes of directors serving staggered three-year terms. The terms of the first, second and third classes will expire in 2026, 2027 and 2025, respectively. Upon expiration of their current terms, directors of each class are eligible to serve for three-year terms or until their successors are duly elected and qualify. Each year one class of directors will be elected by the stockholders. A classified board may render a change in control or removal of our incumbent management more difficult. We believe, however, that the longer time required to elect a majority of a classified Board of Directors will help to ensure the continuity and stability of our management and policies.

Election of Directors

Our charter provides that, except as otherwise provided in the bylaws, the affirmative vote of the holders of a majority of the outstanding shares of stock entitled to vote in the election of directors will be required to elect each director. Our bylaws currently provide a nominee for director shall be elected as a director only if such nominee receives the affirmative vote of a majority of the total votes cast for and votes cast against such nominee at a meeting of stockholders duly called and at which a quorum is present. Our bylaws further provide that, in a Contested Election (as defined in our bylaws), directors shall be elected by a plurality of votes cast at a meeting of stockholders that is duly called and at which a quorum is present. Pursuant to our charter and bylaws, our Board of Directors may amend the bylaws to alter the vote required to elect directors.

Number of Directors; Vacancies; Removal

Our charter provides that the number of directors will be set only by the Board of Directors in accordance with our bylaws. Our bylaws provide that a majority of our entire Board of Directors may at any time increase or decrease the number of directors. However, unless the bylaws are amended, the number of directors may never be less than one nor more than 12. We have elected to be subject to the provision of Subtitle 8 of Title 3 of the MGCL regarding the filling of vacancies on the Board of Directors. Accordingly, at such time, except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the 1940 Act.

Our charter provides that a director may be removed only for cause, as defined in the charter, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors.

Action by Stockholders

Under the MGCL, stockholder action may be taken only at an annual or special meeting of stockholders or by unanimous consent in lieu of a meeting (unless the charter provides for stockholder action by less than unanimous written consent, which our charter does not). These provisions, combined with the requirements of our bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the Board of Directors and the proposal of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by the Board of Directors or (3) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of the bylaws. With respect to special meetings

of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to the Board of Directors at a special meeting may be made only (1) pursuant to our notice of the meeting, (2) by the Board of Directors or (3) provided that the Board of Directors has determined that directors will be elected at the meeting, by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of the bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our Board of Directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our Board of Directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our bylaws do not give our Board of Directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

Calling of Special Meeting of Stockholders

Our bylaws provide that special meetings of stockholders may be called by our Board of Directors and certain of our officers. Additionally, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders shall be called by our secretary upon the written request of stockholders entitled to cast not less than a majority of all of the votes entitled to be cast at such meeting.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter generally provides for approval of charter amendments and extraordinary transactions by the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter. Our charter also provides that certain charter amendments and any proposal for our conversion, whether by merger or otherwise, from a closed-end company to an open-end company or any proposal for our liquidation or dissolution requires the approval of the stockholders entitled to cast at least 75% of the votes entitled to be cast on such matter. However, if such amendment or proposal is approved by at least 75% of our continuing directors (in addition to approval by our Board of Directors), such amendment or proposal may be approved by the stockholders entitled to cast a majority of the votes entitled to be cast on such a matter. The "continuing directors" are defined in our charter as our current directors, as well as those directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of the continuing directors then on the Board of Directors.

Our charter and bylaws provide that the Board of Directors will have the exclusive power to make, alter, amend or repeal any provision of our bylaws.

No Appraisal Rights

Except with respect to appraisal rights arising in connection with the Control Share Act (as defined below) discussed below, as permitted by the MGCL, our charter provides that stockholders will not be entitled to exercise appraisal rights.

Control Share Acquisitions

The Maryland Control Share Acquisition Act (the "Control Share Act") provides that holders of control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

The requisite stockholder approval must be obtained each time an acquiror crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the Board of Directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

Our bylaws contain a provision exempting from the Control Share Act any and all acquisitions by any person of our shares of stock.

Business Combinations

Under the Maryland Business Combination Act (the "Business Combination Act"), "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's shares; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if the Board of Directors approved in advance the transaction by which such stockholder otherwise would have become an interested stockholder. However, in approving a transaction, the Board of Directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the 5-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the Board of Directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the Board of Directors before the time that the interested stockholder becomes an interested stockholder. Our Board of Directors has adopted a resolution exempting any business combination between us and any other person from the provisions of the Business Combination Act, provided that the business combination is first approved by the Board of Directors, including a majority of the directors who are not interested persons as defined in the 1940 Act.

Conflict with 1940 Act

Our bylaws provide that, if and to the extent that any provision of the MGCL, or any provision of our charter or bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

Regulatory Restrictions

Our wholly-owned subsidiaries, HC IV, L.P. and SBIC V, L.P., have each obtained an SBIC license. The SBA prohibits, without prior SBA approval, a "change of control" or transfers which would result in any person (or group of persons acting in concert) owning 10% or more of any class of capital stock of a SBIC. A "change of control" is any event which would result in a transfer of the power, direct or indirect, to direct the management and policies of a SBIC, whether through ownership, contractual arrangements or otherwise.

DESCRIPTION OF OUR DEBT SECURITIES

6.25% Notes due 2033 (the "2033 Notes")

On September 24, 2018, we issued \$40.0 million in aggregate principal amount of the 2033 Notes. The 2033 Notes will mature on October 30, 2033, unless previously repurchased in accordance with their terms. The 2033 Notes bear interest at a rate of 6.25% per year payable quarterly in arrears on January 30, April 30, July 30, and October 30 of each year, commencing on October 30, 2018 and trade on the NYSE under the symbol "HCXY." The 2033 Notes are our direct unsecured obligations and rank pari passu, or equally in right of payment, with all outstanding and future unsecured unsubordinated indebtedness issued by us.

We may redeem some or all of the 2033 Notes at any time, or from time to time, at the redemption price set forth under the terms of the indenture after October 30, 2023. No sinking fund is provided for the 2033 Notes. The 2033 Notes were issued in denominations of \$25 and integral multiples of \$25 thereof.

The 2033 Notes were issued pursuant to that certain indenture, dated March 6, 2012 (the "Base Indenture"), as supplemented by the Sixth Supplemental Indenture to the Base Indenture, dated September 24, 2018 (the "2033 Notes Indenture" or the "indenture"). As of December 31, 2024, the Company was in compliance with the terms of the 2033 Notes Indenture.

General

For purposes of this description, any reference to the payment of principal or premium or interest, if any, on Debt Securities will include additional amounts if required by the terms of the Debt Securities.

The indenture does not limit the amount of Debt Securities that may be issued thereunder from time to time. Debt Securities issued under the indenture, when a single trustee is acting for all Debt Securities issued under the indenture, are called the "indenture securities." The indenture also provides that there may be more than one trustee thereunder, each with respect to one or more different series of indenture securities. See "Resignation of Trustee" section below. At a time when two or more trustees are acting under the indenture, each with respect to only certain series, the term "indenture securities" means the one or more series of Debt Securities with respect to which each respective trustee is acting. In the event that there is more than one trustee under the indenture, the powers and trust obligations of each trustee described in this prospectus will extend only to the one or more series of indenture securities for which it is trustee. If two or more trustees are acting under the indenture, then the indenture securities for which each trustee is acting would be treated as if issued under separate indentures.

We have the ability to issue indenture securities with terms different from those of indenture securities previously issued and, without the consent of the holders thereof, to reopen a previous issue of a series of indenture securities and issue additional indenture securities of that series unless the reopening was restricted when that series was created.

Certain Covenants

In addition to standard covenants relating to payment of principal and interest, maintaining an office or agency, payment of taxes and related matters, the following covenants apply to each of the Debt Securities.

Statement as to Compliance

We have agreed to deliver to the Trustee, within 120 calendar days after the end of each fiscal year ending after the date hereof so long as any Debt Security is outstanding, an Officers' Certificate stating to the knowledge of the signers thereof whether the Company is in default in the performance of any of the terms, provisions or conditions of the indenture. For purposes of this covenant, such default shall be determined without regard to any period of grace or requirement of notice under the indenture.

1940 Act Compliance

We have agreed that, for the period of time during which the Debt Securities are outstanding, we will not violate (whether or not it is subject to) Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or as may be applicable to us from time to time or any successor provisions thereto, giving effect to any exemptive relief granted to the Company by the Securities and Exchange Commission ("Commission") (even if we are no longer subject to such provisions of the 1940 Act).

We have also agreed that for the period of time during which the Debt Securities are Outstanding, pursuant to Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act as may be applicable to the Company from time to time or any successor provisions thereto of the 1940 Act, we will not declare any dividend (except a dividend payable in our stock), or declare any other distribution, upon a class of our capital stock, or purchase any such capital stock, unless, in every such case, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, we have an asset coverage (as defined in the 1940 Act) of at least the threshold specified in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act as may be applicable to us from time to time after deducting the amount of such dividend, distribution or purchase price, as the case may be, and in each case giving effect to (i) any exemptive relief granted to the Company by the Commission and (ii) any no-action relief granted by the Commission to another business development company (or to the Company if it determines to seek such similar no-action or other relief) permitting the business development company to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the 1940 Act as may be applicable to us from time to time in order to maintain such business development company's status as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

Global Securities

The Debt Securities were issued as registered securities in book-entry form only. A global security represents one or any other number of individual Debt Securities. Generally, all Debt Securities represented by the same global securities will have the same terms.

Each Debt Security issued in book-entry form will be represented by a global security that we deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depositary. The Depository Trust Company, New York, New York, known as DTC, is the depositary for the Debt Securities.

A global security may not be transferred to or registered in the name of anyone other than the depositary or its nominee, unless special termination situations arise. We describe those situations below under "Special Situations when a Global Security Will Be Terminated." As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all Debt Securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depositary or with another institution that has an account with the depositary. Thus, an investor whose security is represented by a global security will not be a holder of the Debt Security, but only an indirect holder of a beneficial interest in the global security.

Special Considerations for Global Securities

As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depositary, as well as general laws relating to securities transfers. The depositary that holds the global security will be considered the holder of the Debt Securities represented by the global security.

Accordingly, an investor should be aware of the following:

- An investor cannot cause the Debt Securities to be registered in his or her name, and cannot obtain certificates for his or her interest in the Debt Securities, except in the special situations we describe below.

- An investor will be an indirect holder and must look to his or her own bank or broker for payments on the Debt Securities and protection of his or her legal rights relating to the Debt Securities, as we describe under "Issuance of Securities in Registered Form" above.
- An investor may not be able to sell interests in the Debt Securities to some insurance companies and other institutions that are required by law to own their securities in non-book-entry form.
- An investor may not be able to pledge his or her interest in a global security in circumstances where certificates representing the Debt Securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective.
- The depositary's policies, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to an investor's interest in a global security. We and the trustee have no responsibility for any aspect of the depositary's actions or for its records of ownership interests in a global security. We and the trustee also do not supervise the depositary in any way.
- If we redeem less than all the Debt Securities of a particular series being redeemed, DTC's practice is to determine by lot the amount to be redeemed from each of its participants holding that series.
- An investor is required to give notice of exercise of any option to elect repayment of its Debt Securities, through its participant, to the Trustee and to deliver the related Debt Securities by causing its participant to transfer its interest in those Debt Securities, on DTC's records, to the Trustee.
- DTC requires that those who purchase and sell interests in a global security deposited in its book-entry system use immediately available funds. Your broker or bank may also require you to use immediately available funds when purchasing or selling interests in a global security.
- Financial institutions that participate in the depositary's book-entry system, and through which an investor holds its interest in a global security, may also have their own policies affecting payments, notices and other matters relating to the Debt Securities. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the actions of any of those intermediaries.

Special Situations when a Global Security will be Terminated

In a few special situations described below, a global security will be terminated and interests in it will be exchanged for certificates in non-book-entry form (certificated securities). After that exchange, the choice of whether to hold the certificated Debt Securities directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global security transferred on termination to their own names, so that they will be holders. We have described the rights of legal holders and street name investors under "Issuance of Securities in Registered Form" above.

If a global security is terminated, only the depositary, and not we or the Trustee, is responsible for deciding the names of the institutions in whose names the Debt Securities represented by the global security will be registered and, therefore, who will be the holders of those Debt Securities.

Payment and Paying Agents

We will pay interest to the person listed in the Trustee's records as the owner of the Debt Security at the close of business on a particular day in advance of each due date for interest, even if that person no longer owns the Debt Security on the interest due date. That day, often approximately two weeks in advance of the interest due date, is called the "record date." Because we will pay all the interest for an interest period to the holders on the record date, holders buying and selling Debt Securities must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the Debt Securities to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period. This prorated interest amount is called "accrued interest."

Payments on Global Securities

We will make payments on a global security in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Securities

We will make payments on a certificated Debt Security as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee's records as of the close of business on the regular record date. We will make all payments of principal and premium, if any, by check at the office of the Trustee in New York, New York and/or at other offices that may be designated by the Trustee or in a notice to holders against surrender of the Debt Security.

Alternatively, if the holder asks us to do so, we will pay any amount that becomes due on the Debt Security by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request payment by wire, the holder must give the Trustee or other paying agent appropriate transfer instructions at least 15 business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person who is the holder on the relevant regular record date. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Payment when Offices are Closed

If any payment is due on a Debt Security on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation will be treated under the indenture as if they were made on the original due date. Such payment will not result in a default under any Debt Security or the indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on their Debt Securities.

Events of Default

You will have rights if an Event of Default occurs in respect of the Debt Securities of your series and is not cured, as described later in this subsection.

The term "Event of Default" in respect of the Debt Securities of your series means any of the following:

- we do not pay the principal of, or any premium on, a Debt Security of the series on its due date, and do not cure this default within five days;
- we do not pay interest on a Debt Security of the series when due, and such default is not cured within 30 days;
- we do not deposit any sinking fund payment in respect of Debt Securities of the series on its due date, and do not cure this default within five days;
- we remain in breach of a covenant in respect of Debt Securities of the series for 60 days after we receive a written notice of default stating we are in breach. The notice must be sent by either the trustee or holders of at least 25% of the principal amount of Debt Securities of the series;
- we file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and remain undischarged or unstayed for a period of 60 days; and
- on the last business day of each of 24 consecutive calendar months, we have an asset coverage of less than 100%, giving effect to any exemptive relief granted to us by the SEC.

An Event of Default for a particular series of Debt Securities does not necessarily constitute an Event of Default for any other series of Debt Securities issued under the same or any other indenture. The trustee may withhold notice to the holders of Debt Securities of any default, except in the payment of principal, premium or interest, if it considers the withholding of notice to be in the best interests of the holders.

Remedies if an Event of Default Occurs

If an Event of Default has occurred and has not been cured, the trustee or the holders of at least 25% in principal amount of the Debt Securities of the affected series may declare the entire principal amount of all the Debt Securities of that series to be due and immediately payable. This is called a declaration of acceleration of maturity. In certain circumstances, a declaration of acceleration of maturity may be canceled by the holders of a majority in principal amount of the Debt Securities of the affected series.

The trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability (called an "indemnity"). If reasonable indemnity is provided, the holders of a majority in principal amount of the outstanding Debt Securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before you are allowed to bypass your trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the Debt Securities, the following must occur:

- the holder must give your trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25% in principal amount of all outstanding Debt Securities of the relevant series must make a written request that the trustee take action because of the default and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity; and
- the holders of a majority in principal amount of the Debt Securities must not have given the trustee a direction inconsistent with the above notice during that 60 day period.
- However, you are entitled at any time to bring a lawsuit for the payment of money due on your Debt Securities on or after the due date.
- Holders of a majority in principal amount of the Debt Securities of the affected series may waive any past defaults other than:
 - the payment of principal, any premium or interest; or
 - in respect of a covenant that cannot be modified or amended without the consent of each holder.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of maturity.

Each year, we will furnish to each trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the Debt Securities, or else specifying any default.

Merger or Consolidation

Under the terms of the indenture, we are generally permitted to consolidate or merge with another entity. We may also be permitted to sell all or substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

- where we merge out of existence or sell our assets, the resulting entity must agree to be legally responsible for our obligations under the Debt Securities;
- immediately after giving effect to such transaction, no Default or Event of Default shall have happened and be continuing;
- under the indenture, no merger or sale of assets may be made if as a result any of our property or assets or any property or assets of one of our subsidiaries, if any, would become subject to any

mortgage, lien or other encumbrance unless either (a) the mortgage, lien or other encumbrance could be created;

- pursuant to the limitation on liens covenant in the indenture without equally and ratably securing the indenture securities or (b) the indenture securities are secured equally and ratably with or prior to the debt secured by the mortgage, lien or other encumbrance; and
- we must deliver certain certificates and documents to the trustee.

Modification or Waiver

There are three types of changes we can make to the indenture and the Debt Securities issued thereunder.

Changes Requiring Approval

First, there are changes that we cannot make to Debt Securities without specific approval of all of the holders. The following is a list of those types of changes:

- change the stated maturity of the principal of or interest on a Debt Security;
- reduce any amounts due on a Debt Security;
- reduce the amount of principal payable upon acceleration of the maturity of a security following a default;
- adversely affect any right of repayment at the holder's option;
- change the place (except as otherwise designed by the Trustee) or currency of payment on a Debt Security;
- impair your right to sue for payment;
- adversely affect any right to convert or exchange a Debt Security in accordance with its terms;
- modify the subordination provisions in the indenture in a manner that is adverse to holders of the Debt Securities;
- reduce the percentage of holders of Debt Securities whose consent is needed to modify or amend the indenture;
- reduce the percentage of holders of Debt Securities whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults;
- modify any other aspect of the provisions of the indenture dealing with supplemental indentures, modification and waiver of past defaults, changes to the quorum or voting requirements or the waiver of certain covenants; and
- change any obligation we have to pay additional amounts.

Changes Not Requiring Approval

The second type of change does not require any vote by the holders of the Debt Securities. This type is limited to clarifications and certain other changes that would not adversely affect holders of the outstanding Debt Securities in any material respect. We also do not need any approval to make any change that affects only Debt Securities to be issued under the indenture after the change takes effect.

Changes Requiring Majority Approval

Any other change to the indenture and the Debt Securities would require the following approval:

- if the change affects only one series of Debt Securities, it must be approved by the holders of a majority in principal amount of that series; and

- if the change affects more than one series of Debt Securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

The holders of a majority in principal amount of all of the series of Debt Securities issued under an indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under “—Changes Requiring Approval.”

Further Details Concerning Voting

Debt Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption. Debt Securities will also not be eligible to vote if they have been fully defeased as described later under “Defeasance—Full Defeasance.”

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding indenture securities that are entitled to vote or take other action under the indenture. If we set a record date for a vote or other action to be taken by holders of one or more series, that vote or action may be taken only by persons who are holders of outstanding indenture securities of those series on the record date and must be taken within eleven months following the record date.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the Debt Securities or request a waiver.

Defeasance

Covenant Defeasance

Under current U.S. federal tax law, we can make the deposit described below and be released from some of the restrictive covenants in the indenture under which the particular series was issued. This is called “covenant defeasance.” In that event, you would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay your Debt Securities. If applicable, you also would be released from the subordination provisions as described under the “Indenture Provisions—Subordination” section below. In order to achieve covenant defeasance, we must do the following:

- if the Debt Securities of the particular series are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of such Debt Securities a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Debt Securities on their various due dates;
- we must deliver to the trustee a legal opinion of our counsel confirming that, under current U.S. federal income tax law, we may make the above deposit without causing you to be taxed on the Debt Securities any differently than if we did not make the deposit and just repaid the Debt Securities ourselves at maturity; and
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, as amended, and a legal opinion and officers' certificate stating that all conditions precedent to covenant defeasance have been complied with.

If we accomplish covenant defeasance, you can still look to us for repayment of the Debt Securities if there were a shortfall in the trust deposit or the trustee is prevented from making payment. For example, if one of the remaining Events of Default occurred (such as our bankruptcy) and the Debt Securities became immediately due and payable, there might be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Full Defeasance

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the Debt Securities of a particular series (called “full defeasance”) if we put in place the following other arrangements for you to be repaid:

- if the Debt Securities of the particular series are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of such Debt Securities a combination of money and United States government or United States government agency notes or bonds that will generate enough

cash to make interest, principal and any other payments on the Debt Securities on their various due dates.

- we must deliver to the trustee a legal opinion confirming that there has been a change in current U.S. federal tax law or an IRS ruling that allows us to make the above deposit without causing you to be taxed on the Debt Securities any differently than if we did not make the deposit and just repay the Debt Securities ourselves at maturity. Under current U.S. federal tax law, the deposit and our legal release from the Debt Securities would be treated as though we paid you your share of the cash and notes or bonds at the time the cash and notes or bonds were deposited in trust in exchange for your Debt Securities and you would recognize gain or loss on the Debt Securities at the time of the deposit;
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, as amended, and a legal opinion and officers' certificate stating that all conditions precedent to defeasance have been complied with;
- Defeasance must not result in a breach of the indenture or any other material agreements; and
- Satisfy the conditions for covenant defeasance contained in any supplemental indentures.

If we ever did accomplish full defeasance, as described above, you would have to rely solely on the trust deposit for repayment of the Debt Securities. You could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent. If applicable, you would also be released from the subordination provisions described later under "Indenture Provisions—Subordination."

Form, Exchange and Transfer of Certificated Registered Securities

Holders may exchange their certificated securities, if any, for Debt Securities of smaller denominations or combined into fewer Debt Securities of larger denominations, as long as the total principal amount is not changed.

Holders may exchange or transfer their certificated securities, if any, at the office of their trustee. We have appointed the trustee to act as our agent for registering Debt Securities in the names of holders transferring Debt Securities. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their certificated securities, if any, but they may be required to pay any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any certificated securities of a particular series are redeemable and we redeem less than all the Debt Securities of that series, we may block the transfer or exchange of those Debt Securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any certificated securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any Debt Security that will be partially redeemed.

Resignation of Trustee

Each trustee may resign or be removed with respect to one or more series of indenture securities provided that a successor trustee is appointed to act with respect to these series. In the event that two or more persons are acting as trustee with respect to different series of indenture securities under the indenture, each of the trustees will be a trustee of a trust separate and apart from the trust administered by any other trustee.

Indenture Provisions—Subordination

Upon any distribution of our assets upon our dissolution, winding up, liquidation or reorganization, the payment of the principal of (and premium, if any) and interest, if any, on any indenture securities denominated as subordinated Debt Securities is to be subordinated to the extent provided in the indenture in right of payment to the prior payment in full of all senior indebtedness (as defined below), but our obligation to you to make payment of the principal of (and premium, if any) and interest, if any, on such subordinated Debt Securities will not otherwise be affected. In addition, no payment on account of principal (or premium, if any), sinking fund or interest, if any, may be made on

such subordinated Debt Securities at any time unless full payment of all amounts due in respect of the principal (and premium, if any), sinking fund and interest on senior indebtedness has been made or duly provided for in money or money's worth.

In the event that, notwithstanding the foregoing, any payment by us is received by the trustee in respect of subordinated Debt Securities or by the holders of any of such subordinated Debt Securities before all senior indebtedness is paid in full, the payment or distribution must be paid over to the holders of the senior indebtedness or on their behalf for application to the payment of all the senior indebtedness remaining unpaid until all the senior indebtedness has been paid in full, after giving effect to any concurrent payment or distribution to the holders of the senior indebtedness. Subject to the payment in full of all senior indebtedness upon this distribution by us, the holders of such subordinated Debt Securities will be subrogated to the rights of the holders of the senior indebtedness to the extent of payments made to the holders of the senior indebtedness out of the distributive share of such subordinated Debt Securities.

By reason of this subordination, in the event of a distribution of our assets upon our insolvency, certain of our senior creditors may recover more, ratably, than holders of any subordinated Debt Securities. The indenture provides that these subordination provisions will not apply to money and securities held in trust under the defeasance provisions of the indenture.

Senior indebtedness is defined in the indenture as the principal of (and premium, if any) and unpaid interest on:

- our indebtedness (including indebtedness of others guaranteed by us), whenever created, incurred, assumed or guaranteed, for money borrowed (other than indenture securities issued under the indenture and denominated as subordinated Debt Securities), unless in the instrument creating or evidencing the same or under which the same is outstanding it is provided that this indebtedness is not senior or prior in right of payment to the subordinated Debt Securities; and
- renewals, extensions, modifications and refinancings of any of this indebtedness.

The Trustee under the Indenture

U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association) is the trustee under the indenture.



INSIDER TRADING POLICY

Adopted: July 7, 2015

Amended and Restated: November 19, 2019

Ratified: December 3, 2020

Joint Policy Adopted:

March 2021

Ratified: December 2021

Ratified: December 2022

Ratified: December 2023

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INSIDER TRADING

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INSIDER TRADING POLICY**Section I. Policy Summary**

It is the policy of Hercules Capital, Inc. (the “**Company**”) and its wholly owned subsidiary, Hercules Adviser LLC (the “**Adviser**”) (collectively, “**Hercules**”), to guide its directors, officers and employees (including their family members, occupants of their households and entities that they control) with respect to standards of conduct required in areas where improper or illegal activities could damage Hercules’ reputation and/or result in serious adverse consequences to the Company, the Adviser or the Adviser’s clients and those involved in such conduct.

An important Hercules policy is to comply with the letter and spirit of all applicable securities laws and regulations including prohibitions on insider trading. The guidelines below summarize restrictions relating to what is generally referred to as “insider trading”, but they are not a detailed legal analysis. Any questions concerning these restrictions should be directed to the Company’s Chief Compliance Officer.

Employees should be aware that in addition to Hercules’ policy against insider trading, all employees, not just directors, officers and managerial personnel, could be held liable, both civilly and criminally, for trading on or disclosing to third parties material non-public information concerning the Company, the Company’s portfolio companies, the Adviser and the Adviser’s clients. In addition to possible civil and criminal liabilities, officers and employees who violate the Hercules’ policy will be subject to immediate disciplinary action, including possible dismissal.

Directors, officers and certain designated employees of the Company and the Adviser are subject to additional trading restrictions, which may include adherence to a restricted securities list and/or a prohibition on trading the Company’s securities or securities on behalf of the Adviser’s clients during periods when the Company or the Adviser, as applicable, are in possession of material non-public information. The Company’s Chief Compliance Officer will notify such individuals of the additional restrictions that apply to them.

Section II. Business and Financial Reporting

The securities laws require the Company, at least quarterly, to make periodic filings concerning business and financial information, and at times, to disclose material events which occur between quarterly and annual filings. It is the Company’s policy to make financial reports and disclosures that are complete and accurate in all material respects.

Employees who are in a position to receive significant information regarding the Company’s customers or transactions or who are responsible for or work in departments that are involved with initiating or recording transactions in the Company’s books and records, preparing financial reports, preparing press releases or otherwise communicating with the public lenders and securities analysts, should be especially sensitive to potential insider trading violations.

The Company has imposed for directors, officers and all employees a prohibition from trading (i.e. blackout periods) except during certain “open window” periods. The Company’s open window periods are generally tied to its periodic reporting obligations and commence one full trading day after release of the prior fiscal quarter or annual results and continue until the close of business on the last business day of a fiscal quarter, though it is possible that the trading window may be closed at other times. From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. So long as the event remains material and non-public, the persons designated by the Chief Compliance Officer may not trade the Company’s securities. The Chief Compliance Officer will

communicate to directors, officers, and employees the status of the trading window when it changes. All employees are required to confine their trades to these open window periods. In each instance, however, the employee may not trade if he or she is in possession of material non-public information, even though such trade would occur during an open window period.

These restrictions on trading do not apply to transactions made under a trading plan adopted pursuant to Rule 10b5-1(c) (17 C.F.R. 240.10b5-1) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and approved in writing by the proper officer(s) of the Company designated by the Company’s Board of Directors.

Section III. Insider Trading

Non-Public Information. In the normal course of business, officers, directors and employees of the Company or the Adviser may come into possession of significant, sensitive information. It is illegal and against Hercules’ policy for any individual to profit from information relating to the Company (including its portfolio companies), any of the Company’s controlled entities that has not been disclosed generally to the public, or the Adviser’s clients. (*i.e.*, inside information).

Information should be considered “inside information” if it has not been disseminated in the Company’s annual or periodic reports to shareholders; has not been the subject of a prior widely disseminated press release intended for and made available to public; or has not been widely reported on the media, market writers, statistical services or the like. Even after information has been released to the press, insiders must wait a brief period (two full business days) for the market to absorb the previously non-public information. The use of such information in trading the Company securities or other Securities¹ is known as “insider trading.”

Trading and Recommendation Prohibition. An employee or director who is in possession of any material inside information may not purchase or sell, or recommend the purchases or sale of, any Securities. Trading includes all purchase and sales of Securities, including purchases and sales of options and warrants as well as short sales.

Tipping Prohibition. Furthermore, inside information must not be disclosed to third parties (e.g. friends, family or any other person) or to other Company or Adviser employees for whom knowledge is not necessary. A person who discloses inside information or makes a recommendation to trade Securities based upon inside information breaches a fiduciary duty to the Company and the Adviser and is potentially liable for any inside trading resulting from the disclosure. Such activity is commonly referred to as “tipping” which involves providing material nonpublic information to any person who might be expected to trade in possession of that information.

Company’s Customers, Suppliers, Adviser’s Clients and Other Companies. It is also against Hercules policy for any employee, who may have inside or unpublished knowledge about any of Hercules’ suppliers, customers, the Adviser’s clients, or any company Hercules does business with, to disclose such information to the public or to purchase or sell Securities of those companies during the period in which such information remains generally undisclosed to the public.

“Materiality” Guidelines. The rules relating to insider trading generally prohibit trading by those who possess “material” inside information. Information is material if its dissemination may affect the market price of any Securities or is likely to be considered important by reasonable investors, including reasonable speculative investors, in determining whether to trade in those Securities. As a rule of thumb, if an employee or director learns something that leads that person to want to buy or sell Securities, that information will probably be considered material. If an employee or director is uncertain about whether any

¹ “Securities” shall have the same meaning in this Policy as the term “Covered Security” is defined in the Joint Code of Ethics adopted by the Company and the Adviser.

information is "material" or not, such employee or director should assume that such information is material until he or she obtains guidance from the Chief Compliance Officer to the contrary.

It is important to keep in mind that material information is not limited to facts which are certain to occur or which have just occurred; information that something is likely to happen, or even just that it may happen, could be considered material. Keep in mind also that the Securities and Exchange Commission (the "**SEC**"), the agency that regulates the federal securities laws, takes the view that the mere fact that an employee or director knows the information is enough to bar such employee and director from trading: it is no excuse that one's reasons for trading were not based on the information.

Examples of material information include information relating to earnings, earnings estimates, changes in previously released earnings estimates, dividend increases or decreases, stock splits, a significant expansion or curtailment of operations, a significant increase or decline of orders, a change in direction or product or loan mix, significant contracts, joint ventures, merger or acquisition proposals or agreements, significant new product or service development or discoveries, extraordinary borrowing or liquidity problems, significant management developments, major marketing changes, information indicating a trend not made public purchase or sale of substantial assets, unusual gains or losses in major operations, major personnel changes, major issues raised in tax audits and commencement of or significant developments in major litigation, administrative proceedings, or government investigations.

Section IV. Penalties

Civil: The Insider Trading Act of 1988 (the "Act") carries a civil penalty of three times the profit gained or loss avoided for the person who traded or tipped. The controlling person (see description below) could be liable for a penalty of the greater of \$1 million or three times the profit gained or loss avoided.

Criminal: The maximum term of imprisonment for criminal violations is 10 years plus a penalty of the greater of up to \$1 million or three times the profit gained or loss avoided.

Private Civil Actions. The Act also provides an express private right of action for persons who have traded Securities contemporaneously with those trading on the basis of inside information.

SEC Bounties. The Act authorizes the SEC to pay bounties to persons who provide information about insider trading violations.

Dismissal. In addition to possible civil and criminal liability, failure to comply with Hercules' policy and procedures may result in dismissal for cause.

Potential Liability of Supervisors. Employees also have an obligation to be alert to situations where others within the Company (particularly those over whom you have some supervisory authority) may not be observing the rules against insider trading. The securities laws provide for penalties not only for those who engage in insider trading, but also for those "controlling persons" (e.g. employees with managerial responsibilities, officers and directors) who fail to implement procedures to ensure compliance with this policy or who fail to take appropriate actions when they either knew or recklessly disregarded the fact that those individuals within their control were engaged or were likely to be engaged in acts violating those rules. Controlling persons could be liable for the greater of \$1 million or three times the profit gained or loss avoided by the person who traded.

Misuse of Street Named Accounts. It is against Hercules' policy and may be illegal as well to trade the Company's Securities and Securities of any other company in a way that attempts to hide the true identity of the trader or mislead others as to exactly who is doing the trading. Should this be discovered, it should immediately be disclosed to the Company's Chief Compliance Officer. The SEC and the national exchanges on which the Company's Securities and other companies' Securities are traded have sophisticated tracking mechanisms to assist them in identifying suspicious trades.

Any employees trading in the Company's Securities using fictitious names, names of relatives or friends or brokerage accounts under fictitious names in violation of the policy shall be subject to immediate disciplinary action up to and including termination.

Options. The exercise of a Company granted stock option is not subject to the insider trading laws. However, selling stock received from an option (including selling through a broker assisted same-day buy-and-sell exercise) or the net issuance of shares by the Company is subject to the laws and the Company policy prohibiting trading when in possession of material non-public information except to the extent that there is any applicable exemption.

Hercules Retirement Plan (401-K Plan). Transactions by employees in the Company's Securities held in the Hercules' self-directed retirement Plan (401-K Plan) are covered by this policy. Consequently, purchases and sales of Company Securities in that plan may only be affected when the trading window is open, following receipt of pre-clearance and only if such person does not possess material non-public information.

Exchange Traded Options. Certain stock exchanges permit trading in put and call options. Options, puts, calls, warrants, and similar derivatives, if and when they are available for trading are deemed to be a class of the equity securities of the Company and therefore subject to this policy and the insider trading laws. Acquisition of a call option on the Company's Securities will be treated as a purchase of the common stock, and, the acquisition of a put option on the Company's Securities will be treated as a sale of the common stock. Persons who trade exchange traded options are betting that the Company's stock price will move rapidly. All employees are strongly discouraged from trading in such options.

Short Sales. Section 16(c) of the Exchange Act makes it unlawful for a director, officer or shareholder owning more than 10% of the Company's Securities to engage in short sales of the Company's Securities. A Short Sale is one involving Securities which the Seller does not own at the time of sale, or, if owned, are not delivered within 20 days after the sale or deposited in the mail or other usual channel of transportation within 5 days after the sale. The Company's employees are strongly discouraged from engaging in short sales of the Company's Securities.

Confidentiality Requirements and Prohibition of Tipping Information to Third Parties. Besides the obligation to refrain from trading while in possession of material inside information, employees are prohibited from "tipping" others. The concept of unlawful tipping includes passing on information to third parties, including family or friends or family members under circumstances that suggest that a person was trying to help them to make a profit or avoid a loss. When tipping occurs both the "tipper" and the "tippee" may be held liable and this liability may extend to all those to whom the tippee in turn gives the information.

Besides being considered a form of insider trading, of course, tipping is also a serious breach of corporate confidentiality. Accordingly, all employees should comply with the following guidelines:

1. Do not discuss confidential matters with unauthorized persons, either inside or outside Hercules.
2. Do not discuss confidential matters in places where the conversation might be overheard, such as restrooms, hallways, reception areas, elevators, taxis, airplanes or restaurants. Do not allow visitors to the Company or the Adviser to participate in or overhear discussions of confidential matters.
3. Carefully preserve the security of physical and electronic documents, both inside and outside the office.
4. Do not leave confidential documents where their contents may be disclosed to a visitor.

Business Purpose Disclosures. We recognize that periodically it becomes necessary for legitimate business reasons to disclose material nonpublic information to persons outside the Company or the Adviser,

such as commercial bankers, investment bankers, or other companies seeking to engage in a business venture with the Company or other joint goal. In such circumstances, the information should not be conveyed until an express understanding has been reached that such information is not to be used for trading purposes and may not be further disclosed other than for legitimate business reasons.

In addition to concerns about violating federal and state securities laws the requirement also serves the Hercules' interest in preserving the confidentiality of its proprietary information and trade secrets. Serious problems could be caused for the Company and the Adviser by an unauthorized disclosure of internal information about the Company or the Adviser, their plans or that of the Company's subsidiaries and their operations whether or not the disclosure of information is for the purpose of facilitating improper trading in the stock. Internal Hercules matters and developments should not be discussed with anyone outside of the Company, its subsidiaries, or the Adviser, except as required in the performance of your job responsibilities. Non-public information is corporate property and personal use of it, for trading or other prohibited activities, constitutes misappropriation and therefore an improper use. If material nonpublic information is inadvertently disclosed by any Company or Adviser director, officer, or employee, the person making or discovering that disclosure should immediately report the facts to the Company's Chief Compliance Officer, for a decision regarding appropriate remedial steps.

If you have an emergency situation or are you are in doubt as to the rules involving the purchase or the sale of the Company's Securities or Securities in companies that you are familiar with by virtue of your work for the Company, please consult with the Company's Chief Compliance Officer before making any such purchase or sale.

Section V. Additional Procedures

Hercules has established additional procedures in order to assist Hercules in the administration of this Policy, to facilitate compliance with laws prohibiting insider trading while in possession of material nonpublic information, and to avoid the appearance of any impropriety. These additional procedures are applicable as described below.

Pre-Clearance Procedures. The persons designated in the Joint Code of Ethics adopted by the Company and the Adviser and other persons designated by the Chief Compliance Officer (each a "**Trader**") may not engage in any transaction in Securities without first obtaining pre-clearance of the transaction from the Chief Financial Officer, or his or her designee, and Chief Compliance Officer, or his or her designee (collectively, the "**Approvers**"). A pre-clearance certification request must be submitted in Comply in advance of the proposed transaction. The Approvers are under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction. If a Trader seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Securities, and should not inform any other person of the restriction.

When a request for pre-clearance is made, the Trader should carefully consider whether he or she may be aware of any material nonpublic information about the Company (including its portfolio companies) or any of the Company's controlled entities. If the Trader believes he or she may be aware of material non-public information, the Trader must describe fully those circumstances to the Chief Financial Officer and Chief Compliance Officer prior to submitting a trade request. If the Trader is a Section 16 reporter, he or she must also indicate whether he or she has bought or sold Company Securities within the past six months, and, if required, must be prepared to report the proposed transaction on an appropriate Form 4 or Form 5.

The Trader may only execute any pre-cleared trades during the open window (for trades in Company Securities) and within five business days of receipt of pre-clearance, unless an exception is granted. If a Trader does not effect the transaction within the five business days following the receipt of pre-clearance, the Trader must resubmit the trade for pre-clearance. If a Form 4 is required to be filed, the Trader

must provide the trade details to the Chief Compliance Officer or his or her designee immediately after executing the transaction.

It is important to note that ultimately the responsibility for determining whether a Trader is in possession of material nonpublic information rests with the Trader, and any action on the part of the Company, the Adviser, the Chief Compliance Officer or any other employee or director pursuant to this policy (or otherwise) does not in any way constitute legal advice or insulate a person from liability under applicable securities laws. Traders are subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this policy or applicable securities laws.

Section VI. Insider Trading Policy Questions and Answers

Materiality

Q. What are some examples of “material information”?

A. Information relating to earnings, earnings estimates, changes in previously released earnings estimates, dividend increases or decreases, a significant expansion or curtailment of operations, a significant increase or decline of orders, a change in direction or product or lease mix, merger or acquisition proposals or agreements, significant new product development or discoveries, extraordinary borrowing or liquidity problems, significant management developments, major marketing changes, purchase or sale of substantial assets, major issues raised in tax audits, unusual gains or losses in major operations and commencement of or significant developments in major litigation, administrative proceedings, or governmental investigations.

Regulatory Surveillance Techniques

Q. How are the federal securities laws enforced by the Securities and Exchange Commission, the Department of Justice and the stock exchanges?

A. They each maintain a sophisticated market surveillance system that enables them to track virtually every transaction and identify a number of factors including affiliation with or employment by a publicly traded company. They maintain a large database of public companies. They use an automated search and match system to compare trading data with a database on thousands of companies and hundreds of thousands of executives, bankers, attorneys and accountants. They're aware that most public companies observe a voluntary trading window closure for certain, or in many case all, employees. If market surveillance detects patterns of suspected insider trading, particularly in relation to substantial swings in the price of the stock immediately prior to a public announcement or unexpected negative or positive news, the Department of Justice and the Securities and Exchange Commission may begin an investigation that could culminate in civil or criminal prosecution for insider trading violations. In connection with the commencement of an investigation, the SEC will ask the company to provide a list of all persons who had access to the information including employees, investment bankers, analysts and shareholders. They then compare that list with the information they have on persons who traded prior to the press release. They track trades for several weeks prior to the announcements.

Exercise of Stock Options

Q. The Company granted me a stock option allowing me to buy Company stock at a good price. Am I limited by the insider trading policy as to when I can exercise the option?

A. The exercise of a Company granted stock option is not subject to the insider trading laws. However, selling stock received from an option (such as selling through a broker assisted same- day buy-and-sell exercise) is subject to the laws and Hercules' policy prohibiting insider trading.

Self-Directed Retirement Plan (401(k) Plan)

Q. Are my directions under a 401(k) plan to buy or sell the Company's Securities subject to the insider trading policy?

A. Yes. If the Hercules' plan includes the Company's Securities as an investment option, those transactions are effected at the market and consequently are covered by the insider trading policy.

When Information is Public

Q. If the Company issued a press release describing some material event this morning, may I trade this afternoon?

A. The SEC's view is that information must be accessible to the investing public generally before insiders can trade. How quickly this occurs depends on the size of the company and the type of information. A minimum of two to three business days is a rule of thumb. You should not trade this afternoon.

Manner in which Information is Learned

Q. What if I am at the water cooler and hear other employees discussing some confidential information? Does the fact that I have not been specifically given the information make any difference?

A. No. It is generally assumed that so long as the employee learns the information in the course of her employment, she has a duty to avoid profiting from it.

Q. What if I don't work in a department where I would hear "inside information?"

A. You can hear "inside information" ANYWHERE. You can hear it in the bathroom, in the stairwell, in the cafeteria, etc. In fact, there is a very famous insider trading case where an individual worked in a copy shop, and was given a corporate document to copy that discussed a potential merger. After he copied the document, he bought some of the stock, and made a minor profit (he did not have very much to invest). However, he was caught and convicted of insider trading.

Q. I am aware that a large order for the Company's products/services has been placed by a customer but has not yet been announced. May I purchase Company stock knowing that information?

A. No. This is violation of Company's policy and a potential violation of federal securities laws. You may purchase Company stock only after such information is known to the public.

Information Concerning Companies Other Than the Company

Q. I reviewed a pitch by one of our potential customers about a new product they plan to introduce soon to the market. The Company decided not to invest in the potential customer, but I think the new device could be a real breakthrough and useful for other industries. I am willing to take a risk on this and invest in the company. May I buy stock in the company?

A. You may not buy this stock until information about the new product is known to the public. The fact that the new product is not significant or that the Company determines for whatever reason not to invest in the company is not the relevant test. The new product may have an impact on the earnings of the company, the pending introduction of the product is material to that company and you cannot trade on the information until after it is known to the public.

Q. I have become aware of financial information on one of Company's customers that indicates the customer is in better financial condition than most people realize. I want to purchase some of the customer's stock. May I do so?

A. You may not purchase this stock until the financial information is known to the public. Information of this sort may have been provided to the Company in trust by the customer to help the Company determine how to meet the customer's needs. Using this information for personal purposes or disclosing it to others is a violation of Company policy and is illegal.

Q. Suppose I hear that Company might award a major subcontract to another company, and I buy that company's stock. Am I liable?

A. Assuming that you learn this in the course of your employment, the "misappropriation theory" bars you from trading in other stocks while in possession of material non-public information.

Q. Suppose I am on a call to X Corp. and their CFO tells me something confidential about them. Can I buy their stock?

- A. No. If you have reason to suspect that the CFO is tipping you, *i.e.*, doing you a favor, then you would probably be liable as a tippee. If the CFO was conveying the information because he or she thought it was something you and the Company ought to know, then the information would probably become the Company's property and you would be precluded from using it to personal advantage.
- Q. Suppose I'm on an airplane, and I overhear some strangers discussing their company. If I learn something interesting, may I buy that company's stock?
- A. Yes.
- Q. If I am on assignment for a few months at a customer's office am I an insider of that customer?
- A. Yes, as a temporary insider. You have a duty running to the Company to respect the confidences you learn in the course of this assignment.
- Q. What if I trade on information I hear that had nothing to do with the Company, but it is about a corporate client of mine?
- A. This is **STILL** a violation of the federal securities laws. It is a violation for any employee who may have inside or unpublished knowledge about any of our suppliers, customers, or any company we do business with or any other company to purchase or sell Securities of those companies.

Reasons for Sale

- Q. What if I know some bad news about the Company but have to sell stock in order to pay medical bills or college tuition for my child?
- A. The SEC takes the position that motivation is irrelevant. The insider trading prohibition applies whenever an insider is in possession of material non-public information. You should contact the Chief Compliance Officer to see if anything may be worked out.

Losses on Trades

- Q. What if I lose money after trading on inside information? Am I still liable?
- A. Yes. Although the civil penalty exposure may be limited, since it refers to three times profits made or losses avoided.

Supervisors/Managers as Controlling Persons

- Q. I'm a manager and I sense that a subordinate may be trading illegally. What's my liability?
- A. As a matter of corporate policy, you're expected to report the matter to the appropriate official.
As a legal matter you run some risk that "heedless indifference" to such suspicion will make you liable as a "controlling person" for a civil penalty of up to the greater of \$1 million or three times the subordinate's profits, if the trading continues.

Tipping Liability

- Q. If I tip someone else, what is the extent of my liability?
- A. You are liable for up to three times the profits made or losses avoided by your tippee (plus potential criminal liability). In addition, you may be exposed to further liability for remote tippee trading, trading that occurred when your tippee told others who traded and so on and so on.
- Q. What if I tell my brother or spouse about something going on with Company and he trades, am I liable?
- A. Yes.
- Q. Suppose I'm at a cocktail party discussing business with other Company employees. We're overheard by someone else who buys our stock. Am I a tipper?

- A. Probably not, but you would have violated Company's confidentiality policy for discussing Company business in such a situation. And you may have put yourself in a position where an SEC investigation and enforcement action may be filed against you.
- Q. What if I tell my parents or friends that I think it would be a good idea to buy Company stock?
- A. If you have material information that the public, including your parents and friends, have not had access to, then not only have you, the tipper, violated the federal securities laws, but so have your parents and friends, the tippees, if they acquire stock using this material information.
- Q. Surely if my parents or friends were guilty of a federal securities violation, the law would be lenient on them?
- A. No. Federal securities violations are a serious crime. Your parents and friends can be penalized up to \$1 million and up to ten years in prison. In addition, the SEC may seek to impose a civil penalty of up to three times the profits made or losses avoided from the trading. Insider traders must also disgorge any profits made, and may also be subjected to an injunction against future violation. Insider traders may also be subject to civil liability and private law suits. For example, Company shareholders may decide as a group to sue your parents or friends.

Who is an Insider?

- Q. Doesn't insider trading prohibition just extend to "in and out" trading such as purchases or sales within six months of each other?
- A. No. An entirely different provision of the securities laws, Section 16(b), reaches such short- swing trading by certain high-level insiders, regardless of whether they possess material non- public information. This should not be confused with the broader general insider trading prohibitions. Any employee who learns of non-public material information becomes an insider.
- Q. Isn't it true that only corporate officers and managerial personnel are in danger of violating the securities laws?
- A. No. Absolutely anyone can violate the securities laws by insider trading and may be liable both civilly and criminally. Additionally, anyone you could potentially tell the insider information to and who subsequently acts on the information is liable both civilly and criminally as well.
- Q. Are there any employees who should be especially sensitive to revealing or acting on inside information?
- A. Employees who are in a position to receive significant information regarding our customers or transactions or who are involved with recording transactions in the Company's books and records, preparing financial reports, preparing press releases or otherwise communicating with the public lenders and securities analysts should be especially sensitive to potential insider trading violations. Hercules has a separate policy that imposes additional restrictions on those employees.

Reporting Obligations

- Q. What if I hear or know that a fellow employee may be violating the federal securities laws?
- A. You have an OBLIGATION to notify the Chief Compliance Officer. The securities laws also provide for penalties for those "controlling persons" (e.g. employees with managerial responsibilities, officers and directors) who fail to implement procedures to ensure compliance with this policy or who fail to take appropriate actions when they either knew or recklessly disregarded the fact that those individuals within their control were engaged, or were likely to be engaged, in acts avoiding those rules.

Confidentiality Requirements

- Q. What can I do to make sure that I am not violating any federal securities laws?

A. First, do not discuss confidential matters with unauthorized persons, either inside or outside the Company. Second, do not discuss confidential matters in places where the conversation could be overheard. This includes restrooms, hallways, reception areas, elevators, taxis, airplanes, or restaurants. Third, do not allow visitors to the Company to participate in or overhear discussions of confidential matters. Fourth, carefully preserve the security of physical and electronic documents both inside and outside the office. Finally, do not leave confidential documents where their content may be disclosed to a visitor.

There is a fine line between legal information and illegal information, so if you have any questions whatsoever about whether or not you are trading on insider information, please consult with the Company's Chief Compliance Officer.

List of Subsidiaries
(as of December 31, 2024)

Name	Jurisdiction of Organization
Hercules Capital IV, L.P.	Delaware
Hercules SBIC V L.P.	Delaware
Hercules Funding IV, LLC	Delaware
Hercules Capital Funding 2022-1 LLC	Delaware
Hercules Capital Funding Trust 2022-1	Delaware
Hercules Technology Management LLC	Delaware
Hercules Technology Management Co II, Inc.	Delaware
Hercules Technology Management Co IV LLC	Delaware
Hercules Technology SBIC Management, LLC	Delaware
HTGC UK Limited	United Kingdom
 <u>Unconsolidated Subsidiaries</u>	
Gibraltar Business Capital LLC	Delaware
Gibraltar Equipment Finance LLC	Delaware
Gibraltar Acquisition LLC	Delaware
HercGBC LLC	Delaware
Hercules Capital Management LLC	Delaware
Hercules Adviser LLC	Delaware
Hercules Partner Holdings, LLC	Delaware
Hercules Private Credit Fund 1 L.P.	Delaware
Hercules Private Fund One LLC	Delaware
Hercules Private Global Venture Growth Fund GP I LLC	Delaware
Hercules Private Global Venture Growth Fund I L.P.	Delaware
Hercules Venture Growth Credit Opportunities Fund 1 L.P.	Delaware
Hercules Venture Growth Credit Opportunities Fund 2 L.P.	Delaware
Hercules Venture Growth Credit Opportunities Fund GP I LLC	Delaware
Hercules Private Credit Financing SPV LLC	Delaware
Hercules Private Credit Fund Holdings LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-229435 and No. 333-206633) and N-2 (No. 333-283735) of Hercules Capital, Inc. of our report dated February 13, 2025 relating to the financial statements, financial statement schedules, senior securities table, and the effectiveness of internal control over financial reporting, which appears in this Form 10-K. We also consent to the reference to us under the heading "Senior Securities" in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Francisco, California
February 13, 2025

CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS AMENDED

I, Scott Bluestein, Director, President, Chief Executive Officer, and Chief Investment Officer of the Company, certify that:

1. I have reviewed this annual report on Form 10-K of Hercules Capital, Inc. (the "Registrant") for the year ended December 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 13, 2025

By: _____ /S/ SCOTT BLUESTEIN

Scott Bluestein

Director, President, Chief Executive Officer, and
Chief Investment Officer (Principal Executive Officer)

CERTIFICATION PURSUANT TO

RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS AMENDED

I, Seth H. Meyer, Chief Financial Officer, and Chief Accounting Officer certify that:

1. I have reviewed this annual report on Form 10-K of Hercules Capital, Inc. (the "Registrant") for the year ended December 31, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 13, 2025

By: _____ /S/ SETH H. MEYER

Seth H. Meyer

Chief Financial Officer, and
Chief Accounting Officer (Principal Accounting and Financial
Officer)

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report of Hercules Capital, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024 (the "Report") as filed with the Securities and Exchange Commission on the date hereof, I, Scott Bluestein, Director, President, Chief Executive Officer and Chief Investment Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2025

By: _____ /S/ SCOTT BLUESTEIN

Scott Bluestein

**Director, President, Chief Executive Officer, and
Chief Investment Officer (Principal Executive Officer)**

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report of Hercules Capital, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024 (the "Report") as filed with the Securities and Exchange Commission on the date hereof, I, Seth H. Meyer, the Chief Financial Officer, and Chief Accounting Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2025

By: _____ /S/ SETH H. MEYER
Seth H. Meyer
Chief Financial Officer, and
Chief Accounting Officer (Principal Accounting and Financial Officer)