

Gibraltar Business Capital Has Been Acquired by Hercules Capital, Inc. (NYSE:HTGC)**Deal Value: Undisclosed**

Sandler O'Neill served as financial advisor to Gibraltar Business Capital in this transaction.

This transaction represents Sandler O'Neill's 203rd financial services transaction nationwide since January 1, 2015. Sandler O'Neill has served as a financial advisor on more financial services transactions than any other investment bank during that time period. ¹

PALO ALTO, California - March 5, 2018 - Hercules Capital, Inc. (NYSE:HTGC) ("Hercules" or the "Company"), the leading specialty finance company to innovative, venture growth, pre-IPO and M&A stage companies backed by leading venture capital firms, announced that it has entered the commercial finance sector through its strategic acquisition of all of the outstanding equity of Gibraltar Business Capital ("Gibraltar"), a leading provider of working capital to small and mid-market businesses through Gibraltar's asset-based loan and factoring solutions.

Gibraltar will be held as a portfolio company of Hercules. Gibraltar will continue to operate as an independent senior secured asset-based lender to select small and mid-market businesses and operate under the Gibraltar Business Capital brand. Gibraltar and all its existing employees will remain at its headquarters in Northbrook (Chicago), Illinois. Gibraltar was formed in 2010 when Scott Winicour led the management buyout of Gibraltar Financial Corporation, a commercial finance company that dates back to 1951. The company subsequently changed its name to Gibraltar Business Capital, as it is known today. The company is comprised of seasoned professionals with decades of deep expertise in the asset-based lending and factoring industries. Since its formation in 2010, Gibraltar has underwritten more than \$325.0 million in total credit facilities to more than 170 borrowers.

Hercules anticipates its investment in Gibraltar to generate a cash yield of approximately 10.0% to 14.0% and to be immediately accretive to investment income in 2018.

"Our acquisition of Gibraltar, Hercules' second strategic completed acquisition, represents a unique opportunity to invest in one of the leading established asset-based lenders in the country," said Manuel A. Henriquez, founder, chairman and chief executive officer of Hercules. "We believe our investment in Gibraltar, as a portfolio company, will give us the ability to access systems utilized in managing ABL loans and to potentially expand the types of financing options available to our current and future clients. We are very pleased to welcome Gibraltar's newly appointed CEO Scott Winicour and the entire Gibraltar team to the Hercules family of portfolio companies. With our financial backing, we anticipate growing Gibraltar's existing business offering and overall loan portfolio."

Winicour remarked, "This is an important transition for Gibraltar as the investment by Hercules, coupled with our credit line, provides us with deep access to capital to empower our growth and amplifies our commitment to deliver value-added lending services to businesses, which have been the hallmark of our success."

"This investment represents a highly attractive return profile, and together with our continued 'slow and steady' growth strategy, will help provide greater potential financial return to the benefit of our shareholders over the long term," noted Henriquez.

(1) Source: S&P Global Market Intelligence; excludes minority transactions, terminated transactions, and/or self-advisory roles

Sandler O'Neill Contacts:
1251 Avenue of the Americas, 6th Floor
New York, NY 10020

Chris Donohoe
Managing Director
(212) 466-7755

Meirav Azoulay
Director
(212) 466-7775

Syed Alam
Analyst
(212) 466-8043