

Hercules Capital, Inc.
Form 497
June 13, 2018
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**Filed Pursuant to Rule 497
Registration No. 333-224281**

PROSPECTUS SUPPLEMENT

(To prospectus dated June 5, 2018)

6,000,000 Shares

Common Stock

We are offering 6,000,000 shares of our common stock. Our common stock is listed on the New York Stock Exchange, or the NYSE, under the trading symbol HTGC. The last sale price, as reported on the NYSE on June 7, 2018, was \$12.34 per share. The net asset value per share of our common stock at March 31, 2018 (the last date prior to the date of this prospectus supplement on which we determined net asset value) was \$9.72.

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, as amended, or the 1940 Act. Our investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our warrant and equity-related investments.

An investment in our common stock involves risks that are described in the Risk Factors section beginning on page 14 of the accompanying prospectus.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our common stock. Please read this prospectus supplement and the accompanying prospectus before investing and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission. This information is available free of charge by contacting us at 400 Hamilton Avenue, Suite 310, Palo Alto, California 94301, or by telephone by calling collect at (650) 289-3060 or on our website at www.htgc.com. The information on the websites referred to herein is not incorporated by reference into this prospectus supplement or the accompanying prospectus. The SEC also maintains a

website at www.sec.gov that contains information about us.

	Per Share	Total
Public offering price	\$ 12.15	\$ 72,900,000
Sales load (underwriting discounts and commissions)	\$ 0.37	\$ 2,220,000
Proceeds to us (before expenses) ⁽¹⁾	\$ 11.78	\$ 70,680,000

(1) Before deducting expenses payable by us related to this offering, estimated at \$300,000. See Underwriting in this prospectus supplement for complete details of underwriters' compensation.

The underwriters may also purchase up to an additional 900,000 shares from us at the public offering price, less the underwriting discounts and commissions, to cover overallotments, if any, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total public offering price will be \$83,835,000, the total sales load (underwriting discounts and commissions) paid by us will be \$2,553,000, and total proceeds, before expenses, will be \$81,282,000.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the shares of common stock will be made on or about June 14, 2018.

Joint Book-Running Managers

Wells Fargo Securities

Morgan Stanley

Jefferies

Keefe, Bruyette & Woods,

A Stifel Company

Lead Manager

Compass Point

The date of this prospectus supplement is June 12, 2018.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front cover of this prospectus supplement or such prospectus, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information and disclosure. To the extent the information contained in this prospectus supplement differs from the information contained in the accompanying prospectus, the information in this prospectus supplement shall control. You should read this prospectus supplement and the accompanying prospectus together with the additional information described under the heading, Available Information before investing in our common stock.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some of the information in this prospectus supplement and may not contain all of the information that is important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement and the accompanying prospectus and the documents that are referenced in this prospectus supplement and the accompanying prospectus, together with any accompanying supplements. In this prospectus supplement and the accompanying prospectus, unless the context otherwise requires, the Company, Hercules, HTGC, we, us and our refer to Hercules Capital, Inc. and its wholly-owned subsidiaries and its affiliated securitization trusts.

Our Company

We are a specialty finance company focused on providing senior secured loans to high-growth, innovative venture capital-backed companies in a variety of technology, life sciences and sustainable and renewable technology industries. Our investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our warrant and equity-related investments. We are an internally-managed, non-diversified closed-end investment company that has elected to be regulated as a business development company under the 1940 Act. Effective January 1, 2006, we elected to be treated for tax purposes as a regulated investment company, or RIC, under the Internal Revenue Code of 1986, as amended, or the Code.

As of March 31, 2018, our total assets were approximately \$1.6 billion, of which our investments comprised \$1.5 billion at fair value and \$1.6 billion at cost. Since inception through March 31, 2018, we have made debt and equity commitments of more than \$7.6 billion to our portfolio companies.

We also make investments in qualifying small businesses through our two wholly-owned small business investment companies, or SBICs. Our SBIC subsidiaries, Hercules Technology II, L.P., or HT II, and Hercules Technology III, L.P., or HT III, hold approximately \$113.1 million and \$285.8 million in assets, respectively, and accounted for approximately 5.7% and 14.4% of our total assets, respectively, prior to consolidation at March 31, 2018. At March 31, 2018, we have issued \$190.2 million in Small Business Administration, or SBA, guaranteed debentures in our SBIC subsidiaries. See Regulation Small Business Administration Regulations in the accompanying prospectus for additional information regarding our SBIC subsidiaries.

As of March 31, 2018, our investment professionals, including Manuel A. Henriquez, our co-founder, Chairman, President and Chief Executive Officer, are currently comprised of 33 professionals who have, on average, more than 15 years of experience in venture capital, structured finance, commercial lending or acquisition finance with the types of technology-related companies that we are targeting. We believe that we can leverage the experience and relationships of our management team to successfully identify attractive investment opportunities, underwrite prospective portfolio companies and structure customized financing solutions.

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Organizational Chart

The following chart summarizes our organizational structure as of June 7, 2018. This chart is provided for illustrative purposes only.

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 with warrants 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 with warrants products are less dilutive and complement 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 because 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.

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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.

Due to the difficulties described above, we believe traditional lenders generally refrain from entering the structured debt financing marketplace, instead preferring the risk-reward profile of asset-based lending. 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 is currently underserved. The venture capital market for the technology-related companies in which we invest has been active. Therefore, to the extent we have capital available, we believe this is an opportune time to be active in the structured lending market for technology-related companies.

Structured Debt with Warrants 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. We believe that our structured debt with warrants 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. 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 assembled a team of experienced investment professionals with extensive experience as venture capitalists, commercial lenders, and originators of structured debt and equity investments in technology-related companies.

Mitigate Risk of Principal Loss and Build a Portfolio of Equity-Related 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-related securities. We believe that we can mitigate the risk of loss on our debt investments through the combination of loan principal

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amortization, cash interest payments, relatively short maturities (typically between 24-48 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 at the time we make our investment.

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.

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.

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 equity markets, we believe that we may benefit from a lower cost of capital than that available to private investment funds.

Deal Sourcing Through Our Proprietary Database. We have developed a proprietary and comprehensive structured query language-based database system to track various aspects of our investment process including sourcing, originations, transaction monitoring and post-investment performance.

Recent Developments

Distribution Declaration

On April 25, 2018, our Board of Directors declared a cash distribution of \$0.31 per share that was paid on May 21, 2018 to stockholders of record as of May 14, 2018. This distribution represents our fifty-first consecutive distribution since our initial public offering, bringing the total cumulative distribution to date to \$14.33 per share.

Closed and Pending Commitments

As of June 7, 2018, we have:

Closed debt and equity commitments of approximately \$313.8 million to new and existing portfolio companies and funded approximately \$224.2 million subsequent to March 31, 2018.

Pending commitments (signed non-binding term sheets) of approximately \$145 million.
The table below summarizes our year-to-date closed and pending commitments as follows:

Closed Commitments and Pending Commitments (in millions)	
January 1 - March 31, 2018 Closed Commitments	\$ 266.0
April 1 - June 7, 2018 Closed Commitments ^(a)	\$ 313.8
Pending Commitments (as of June 7, 2018) ^(b)	\$ 145.0
Closed and Pending Commitments as of June 7, 2018	\$ 724.8

- a. Closed Commitments may include renewals of existing credit facilities. Not all Closed Commitments result in future cash requirements. Commitments generally fund over the two succeeding quarters from close.
- b. Not all pending commitments (signed non-binding term sheets) are expected to close and they do not necessarily represent any future cash requirements.

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Unscheduled Early Principal Repayments Early Pay-Offs

As of June 8, quarter-to-date, we have received \$59.1 million in early pay-offs, of which approximately \$39.6 million was received from portfolio companies that previously had credit ratings of 3-5.

Amendment to Union Bank Credit Facility

On May 25, 2018, the Company, through a special purpose wholly-owned subsidiary, Hercules Funding III, LLC, entered into the Second Amendment (the Amendment) to the Loan and Security Agreement, dated as of May 5, 2016 (the Union Bank Facility), with MUFG Union Bank, N.A., as the arranger and administrative agent, and the lenders party thereto from time to time. The Amendment amends certain provisions of the Union Bank Facility to increase the commitments thereunder from \$75,000,000 to \$100,000,000.

Redemption of 2024 Notes

On February 9, 2018, our Board of Directors approved a redemption of \$100.0 million of our outstanding aggregate principal amount of 6.25% notes due 2024 (the 2024 Notes), which were redeemed on April 2, 2018.

ATM Equity Program Issuances

Subsequent to March 31, 2018 and as of June 7, 2018, we sold 1,953,100 shares of common stock for total accumulated net proceeds of approximately \$23.9 million, including \$217,000 of offering expenses, under our at-the-market, or ATM, equity distribution agreement, dated September 8, 2017, or the Equity Distribution Agreement, with JMP Securities LLC, or JMP. As of June 7, 2018, approximately 8.0 million shares remain available for issuance and sale under the Equity Distribution Agreement.

2025 Notes

On April 26, 2018, we issued \$75.0 million in aggregate principal amount of 5.25% notes due 2025 (the 2025 Notes). The 2025 Notes were issued pursuant to the Fifth Supplemental Indenture to the Base Indenture, dated April 26, 2018 (the 2025 Notes Indenture), between us and U.S. Bank, National Association, as trustee. The sale of the 2025 Notes generated net proceeds of approximately \$73.0 million. Aggregate estimated offering expenses in connection with the transaction, including the underwriter's discount and commissions, were approximately \$2.0 million.

The 2025 Notes will mature on April 30, 2025, unless previously repurchased in accordance with their terms. The 2025 Notes bear interest at a rate of 5.25% per year payable quarterly in arrears on January 30, April 30, July 30 and October 30 of each year, commencing on July 30, 2018.

The 2025 Notes will be our direct unsecured obligations and rank pari passu, or equally in right of payment, with all outstanding and future unsecured unsubordinated indebtedness issued by Hercules Capital, Inc.

We may redeem some or all of the 2025 Notes at any time, or from time to time, at the redemption price set forth under the terms of the indenture after April 30, 2021. No sinking fund is provided for the 2025 Notes. The 2025 Notes were issued in denominations of \$25 and integral multiples of \$25 thereof.

The 2025 Notes are listed on the NYSE, and trade on the NYSE under the symbol HCXZ.

Portfolio Company Developments

As of June 7, 2018, we held warrants or equity positions in three companies that have filed registration statements on Form S-1 with the Securities and Exchange Commission (the SEC) in contemplation of potential

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initial public offerings, including Tricida, Inc. and two companies which filed confidentially under the Jumpstart Our Business Startups Act of 2012. There can be no assurance that companies that have yet to complete their initial public offerings will do so in a timely manner or at all. In addition, subsequent to March 31, 2018, the following companies announced or completed liquidity events:

1. In April 2018, our portfolio company, DocuSign, Inc. completed its initial public offering.
2. In May 2018, our portfolio company RazorGator Inc., an online ticket reselling platform for sports, theater and concert tickets, and vacation packages for sporting events, was acquired by TickPick, an online ticket marketplace to buy, bid on and sell tickets on sports, concerts and other live events. Terms of the transaction were not disclosed.
3. In May 2018, our portfolio company FanDuel, a leading U.S. daily fantasy sports operator, announced they had entered into a definitive agreement with Paddy Power Betfair plc, an international, multi-channel sports betting and gaming operator, to combine Paddy Power's U.S. business (Betfair US) with FanDuel. Under the agreement, Paddy Power will contribute its existing U.S. assets along with \$158.0 million of cash. The cash contribution will be used to pay down existing FanDuel debt and fund working capital of the combined business.
4. In May 2018, our portfolio company PerfectServe, Inc., a comprehensive and secure care team collaboration platform for healthcare, was acquired by K1 Investment Management LLC, a private equity firm investing in high-growth private companies across North America. Terms of the acquisition were not disclosed.

Corporate Information

Our principal executive offices are located at 400 Hamilton Avenue, Suite 310, Palo Alto, California 94301, and our telephone number is (650) 289-3060. We also have offices in Boston, MA, New York, NY, Washington, DC, Hartford, CT, and San Diego, CA. We maintain a website on the Internet at www.htgc.com. 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 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus.

We file annual, quarterly and current periodic reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. This information is available at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information about the operation of the SEC's public reference room by calling the SEC at (202) 551-8090. In addition, the SEC maintains an Internet website, at www.sec.gov, that contains reports, proxy and information statements, and other information regarding issuers, including us, who file documents electronically with the SEC.

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THE OFFERING

Common stock offered by us	6,000,000 shares, or 6,900,000 shares if the underwriters exercise their option to purchase additional shares in full.
Common stock outstanding prior to this offering	87,206,795 shares
Common stock outstanding after this offering	93,206,795 shares, or 94,106,795 shares if the underwriters exercise their option to purchase additional shares in full
Use of Proceeds	We estimate that the net proceeds we receive from the sale of 6,000,000 shares of our common stock in this offering will be approximately \$70.4 million after deducting the underwriting discount of approximately \$2.2 million payable by us and estimated offering expenses of approximately \$300,000 payable by us. We expect to use the net proceeds from this offering (i) to fund investments in debt and equity securities in accordance with our investment objective, (ii) to make acquisitions, and (iii) for other general corporate purposes.
Symbol on the New York Stock Exchange	HTGC
Dividend Reinvestment Plan	We have adopted a dividend reinvestment plan for our stockholders, which is an opt out dividend reinvestment plan. Under this plan, cash distributions to our stockholders are automatically reinvested in additional shares of our common stock unless a stockholder specifically opts out of our dividend reinvestment plan. If a stockholder opts out, that stockholder receives cash dividends or other distributions. Stockholders who receive distributions in the form of shares of common stock generally are subject to the same U.S. federal, state and local tax consequences as stockholders who elect to receive their distributions in cash but do not receive any corresponding cash distributions with which to pay any applicable taxes. See Dividend Reinvestment Plan in the accompanying prospectus.
Distributions	The timing and amount of our quarterly distributions, if any, are determined by our Board of Directors. While we intend to make distributions on a quarterly basis to our stockholders out of assets legally

available for distribution, we may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of our distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage requirements applicable to us as a business development company under the 1940 Act. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax

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consequences, including the possible loss of our ability to be subject to tax as a RIC. We cannot assure stockholders that they will receive any distributions. See Management's Discussion and Analysis of Financial Condition and Results of Operations Distributions in the accompanying prospectus.

Risk Factors

See Risk Factors in the accompanying prospectus and other information in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before you decide whether to make an investment in shares of our common stock.

Custodian and Transfer Agent

Union Bank of California and U.S. Bank National Association serve as our custodians, and American Stock Transfer & Trust Company, LLC serves as our transfer agent, dividend paying and reinvestment agent and registrar. See Custodian, Transfer and Dividend Paying Agent and Registrar in the accompanying prospectus.

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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, assuming that the underwriters do not exercise their over-allotment option. 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⁾	3.05%
Offering expenses	0.41% ⁽²⁾
Dividend reinvestment plan fees	0%
Total stockholder transaction expenses (as a percentage of the public offering price)	3.46%
Annual Expenses (as a percentage of net assets attributable to common stock):⁽⁴⁾	
Operating expenses	5.68% ⁽⁵⁾⁽⁶⁾
Interest and fees paid in connection with borrowed funds	4.96% ⁽⁷⁾
Total annual expenses	10.64%⁽⁸⁾

(1) Represents the underwriting discount with respect to the shares of our common stock sold by us in this offering.

(2) The percentage reflects estimated offering expenses of approximately \$300,000 (including up to \$10,000 in reimbursement of certain underwriters' counsel fees).

(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 in the accompanying prospectus.

(4) Net assets attributable to common stock equals the weighted average net assets for the three-months ended March 31, 2018, which is approximately \$850.9 million.

(5) Operating expenses represents our estimated operating expenses by annualizing our actual operating expenses incurred for the three-months ended March 31, 2018, including all fees and expenses of our consolidated subsidiaries and excluding interests and fees on indebtedness. See Management's Discussion and Analysis of Financial Condition and Results of Operations and Management in the accompanying prospectus.

(6) We do not have an investment adviser and are internally managed by our executive officers under the supervision of our Board of Directors. As a result, we do not pay investment advisory fees, but instead we pay the operating costs associated with employing investment management professionals.

(7)

Interest and fees paid in connection with borrowed funds represents our estimated interest, fees and credit facility expenses by annualizing our actual interest, fees, and credit facility expenses incurred for the three-months ended March 31, 2018, including our \$120.0 million revolving senior secured credit facility with Wells Fargo Capital Finance, LLC (the Wells Facility), Union Bank Facility, 4.625% notes due 2022 (the 2022 Notes), the 2024 Notes, 4.375% convertible notes due 2022 (the 2022 Convertible Notes), fixed rate asset-backed notes (the 2021 Asset-Backed Notes) and the SBA debentures.

- (8) Total annual expenses is the sum of operating expenses, and interest and fees paid in connection with borrowed funds. 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.

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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
You would pay the following expenses on a \$1,000 common stock investment, assuming a 5% annual return	\$ 134	\$ 318	\$ 482	\$ 820

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 5%. In addition, while the example assumes reinvestment of all distributions at net asset value (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](#) in the accompanying prospectus for additional information regarding our dividend reinvestment plan.

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FORWARD-LOOKING STATEMENTS

The matters discussed in this prospectus supplement and the accompanying prospectus, 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 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, 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 prospectus should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this prospectus supplement and the accompanying prospectus 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 ability of our portfolio companies to achieve their objectives;

our expected financings and investments;

our regulatory structure and tax status;

our ability to operate as a business development company, a SBIC and a RIC;

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 losses.

For a discussion of factors that could cause our actual results to differ from forward-looking statements contained in this prospectus supplement and the accompanying prospectus, please see the discussion under "Risk Factors" in the accompanying prospectus.

You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made and are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, or the Securities Act. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this prospectus supplement.

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INDUSTRY AND MARKET DATA

We have compiled certain industry estimates presented in this prospectus supplement and the accompanying prospectus from internally generated information and data. While we believe our estimates are reliable, they have not been verified by any independent sources. The estimates are based on a number of assumptions, including increasing investment in venture capital and private equity-backed companies. Actual results may differ from projections and estimates, and this market may not grow at the rates projected, or at all. If this market fails to grow at projected rates, our business and the market price of our securities, including our common stock, could be materially adversely affected.

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of the 6,000,000 shares of our common stock in this offering will be approximately \$70.4 million (or approximately \$81.0 million if the underwriters fully exercise their overallotment option), after deducting the underwriting discount of approximately \$2.2 million (or approximately \$2.6 million if the underwriters fully exercise their overallotment option) payable by us and estimated offering expenses of approximately \$300,000 payable by us.

We expect to use the net proceeds from this offering (i) to fund investments in debt and equity securities in accordance with our investment objective, (ii) to make acquisitions, and (iii) for other general corporate purposes.

We intend to seek to invest the net proceeds received in this offering as promptly as practicable after receipt thereof consistent with our investment objective. We anticipate that substantially all of the net proceeds from any offering of our securities will be used as described above within three to six months, depending on market conditions. We anticipate that the remainder will be used for working capital and general corporate purposes, including potential payments or distributions to shareholders. Pending such use, we will invest a portion of the net proceeds of this offering in short-term investments, such as cash and cash equivalents, which we expect will earn yields substantially lower than the interest income that we anticipate receiving in respect of investments in accordance with our investment objective.

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The following table sets forth (i) our actual capitalization as of March 31, 2018, and (ii) our capitalization as adjusted to give effect to the sale of 6,000,000 million shares of our common stock in this offering (assuming no exercise of the overallotment option) at a price of \$12.15 per share, after deducting the underwriting discounts and commissions of approximately \$2.2 million payable by us and estimated offering expenses of approximately \$300,000 payable by us. You should read this table together with the "Use of Proceeds" section and our statement of assets and liabilities included elsewhere in this prospectus supplement.

	As of March 31, 2018	
	Actual	As Adjusted⁽²⁾
	(in thousands)	
Investments at fair value	\$ 1,483,578	\$ 1,483,578
Cash and cash equivalents	\$ 118,228	\$ 188,608
Debt ⁽¹⁾ :		
Accounts payable and accrued liabilities	\$ 18,789	\$ 18,789
Long-term SBA debentures	188,299	188,299
2022 Convertible Notes	223,878	223,878
2021 Asset-Backed Notes	33,156	33,156
2022 Notes	147,698	147,698
2024 Notes	179,161	79,161
Total debt	\$ 790,981	\$ 690,981
Stockholders' equity:		
Common stock, par value \$0.001 per share; 200,000,000 shares authorized; 85,238,626 shares issued and outstanding, actual, 91,238,626 shares issued and outstanding, as adjusted, respectively	\$ 85	\$ 91
Capital in excess of par value	916,738	987,112