HARVEST CAPITAL CREDIT CORPORATION ANNOUNCES DECEMBER 31, 2016 FINANCIAL RESULTS

NEW YORK, March 15, 2017 — Harvest Capital Credit Corporation ("Harvest Capital" or the "Company") (NASDAQ: HCAP) announced financial results for the fourth quarter and year ended December 31, 2016.

FINANCIAL HIGHLIGHTS

	Q4-16		Q4-15		FY-16		FY-15	
	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share
Net investment income	**$2,432,880**	**$0.39**	**$3,395,364**	**$0.54**	**$10,052,422**	**$1.60**	**$9,651,015**	**$1.54**
Core net investment income (1)	**$2,432,880**	**$0.39**	**$3,395,364**	**$0.54**	**$10,052,422**	**$1.60**	**$9,486,651**	**$1.52**
Net change in unrealized appreciation (depreciation)	$398,801	$0.06	($1,199,629)	($0.19)	($3,528,349)	($0.56)	($2,182,647)	($0.34)
Net realized losses on investments	($54,906)	($0.01)	($100,972)	($0.02)	($517,586)	($0.08)	($1,057,355)	($0.17)
Net income	**$2,776,775**	**$0.44**	**$2,094,763**	**$0.33**	**$6,006,487**	**$0.96**	**$6,411,013**	**$1.03**
Weighted average shares outstanding (basic and diluted)	6,282,324		6,263,609		6,282,360		6,249,346	

(1) Core net investment income and core net investment income per share are non-GAAP financial measures. Reconciliations of core net investment income and core net investment income per share to the most directly comparable GAAP financial measure and other information regarding these non-GAAP financial measures are set forth in Schedule 1 hereto.

PORTFOLIO ACTIVITY

	As of	
	December 31, 2016	December 31, 2015
Portfolio investments at fair value	$ 134,101,534	$ 142,760,426
Total assets	$ 143,704,905	$ 149,137,859
Net assets	$ 87,122,296	$ 89,414,256
Shares outstanding	6,287,496	6,269,669
Net asset value per share	$ 13.86	$ 14.26

	Q4-16	Q4-15	FY-16	FY-15
Portfolio activity during the period:				
New debt investment commitments	$ 3,850,000	$ 12,740,700	$ 29,730,723	$ 52,890,380
New equity investments	225,000	250,250	4,125,000	337,207
Exits of debt investment commitments	(7,481,897)	(11,788,074)	(21,921,522)	(17,240,515)
Principal repayments	(3,766,426)	(1,577,793)	(18,215,262)	$ (7,519,268)
Exits of equity investments	—	—	(390,284)	—
Net activity	$ (7,173,323)	$ (374,917)	$ (6,671,345)	$ 28,467,804

	As of	
	December 31, 2016	December 31, 2015
Number of portfolio company investments	31	33
Number of debt investments	28	30
Weighted average yield of debt investments (1):		
Cash	12.1%	11.9%
PIK	1.4%	0.5%
Fee amortization	1.7%	1.5%
Total	15.2%	13.9%

(1) The dollar-weighted average annualized effective yield is computed using the effective interest rates for our debt investments and other income producing investments, including cash and PIK interest as well as the accretion of deferred fees. The individual investment yields are then weighted by the respective fair values of the investments (as of the date presented) in calculating the weighted average effective yield of the portfolio. The dollar-weighted average annualized yield on the Company's investments for a given period will generally be higher than what investors in our common stock would realize in a return over the same period because the dollar-weighted average annualized yield does not reflect the Company's expenses or any sales load that may be paid by investors. CRS Reprocessing, LLC and Peekay Acquisition, LLC were excluded from the calculation as of December 31, 2016 because they were on non-accrual status at that date. Solex Fine Foods, LLC was excluded from the calculation as of December 31, 2015 because it was on non-accrual status as of that date. Shinnecock CLO 2006-1, Ltd. and other equity components of the investment portfolio are also excluded from this calculation either because they do not have stated interest rates or are non-income producing.

FOURTH QUARTER OF 2016 AND YEAR-TO-DATE OPERATING RESULTS

For the quarter ended December 31, 2016, the Company reported a 32.6% increase in net income and a 28.3% decrease in net investment income and core net investment income, compared to the quarter ended December 31, 2015. Net income for the quarter ended December 31, 2016 was $2.8 million, or $0.44 per share, compared to $2.1 million, or $0.33 per share, for the quarter ended December 31, 2015. Net investment income and core net investment income were $2.4 million, or $0.39 per share, for the quarter ended December 31, 2016, compared to $3.4 million, or $0.54 per share, for the quarter ended December 31, 2015.

The increase in net income was primarily attributable to $0.4 million in net unrealized appreciation in the quarter ended December 31, 2016, compared to $1.2 million in net depreciation in the quarter ended December 31, 2015, partially offset by a $1.0 million decrease in net investment income for the quarter ended December 31, 2016, as compared to the quarter ended December 31, 2015. Net investment income and core net investment income decreased in the quarter ended December 31, 2016, as compared to the quarter ended December 31, 2015, primarily as a result of less non-recurring income related to the acceleration of interest income in conjunction with the payoff of loans in the quarter ended December 31, 2016, as compared to the quarter ended December 31, 2015.

For the year ended December 31, 2016, the Company reported a 6.3% decrease in net income, a 4.2% increase in net investment income and a 6.0% increase in core net investment income, compared to the year ended December 31, 2015. Net income for the year ended December 31, 2016 was $6.0 million, or $0.96 per share, compared to $6.4 million, or $1.03 per share, for the year ended December 31, 2015. Net investment income was $10.1 million, or $1.60 per share, for the year ended December 31, 2016, compared to $9.7 million, or $1.54 per share, for the year ended December 31, 2015. Core net investment income was $10.1 million, or $1.60 per share, for the year ended December 31, 2016, compared to $9.5 million, or $1.52 per share, for the year ended December 31, 2015. The decrease in net income was primarily attributable to a $0.8 million increase in the net unrealized and realized losses on investments, partially offset by the increase in net investment income, for the year ended December 31, 2016, as compared to the year ended December 31, 2015. Net investment income and core net investment income increased in the year ended December 31, 2016, primarily as a result of an increase in investment income due to growth in the portfolio.

As of December 31, 2016, our total portfolio investments at fair value and total assets were $134.1 million and $143.7 million, respectively, compared to $142.8 million and $149.1 million at December 31, 2015. Net asset value per share was $13.86 at December 31, 2016, compared to $14.26 at December 31, 2015.

During the fourth quarter of 2016, the Company made investments in three companies totaling $4.1 million. One of the investments was in a new portfolio company and two were additional investments in existing portfolio companies. The Company also had investment sales, payoffs and commitment expirations totaling $7.5 million during the three months ended December 31, 2016. The investment activity for the quarter ended December 31, 2016 was as follows:

NEW AND INCREMENTAL INVESTMENTS

On October 11, 2016 and December 6, 2016, the Company made additional senior secured term loan investments in WBL SPE II, LLC ("WBLII") totaling $2.0 million. This brings the Company's total investment commitment in WBLII to $8.2 million. The investment carries a fixed cash interest rate of 14.50%.

On October 26, 2016, the Company made an additional $25,000 equity investment in Brite Media LLC.

On December 13, 2016, the Company made a $1.9 million senior secured debt investment and a $0.2 million equity investment in Flight Engine Leasing III, LLC. The debt investment carries a fixed rate of interest of 13.00%.

INVESTMENT PAYOFFS

On November 30, 2016, an unfunded $1.8 million delayed draw term loan commitment to WBL SPE I, LLC expired.

On December 19, 2016, the Company sold its $1.0 million senior secured debt investment in Atrium Innovations, Inc. for $1.0 million. The Company generated a gross internal rate of return (“IRR”) of 4.3% on this exit. IRR is the rate of return that makes the net present value of all cash flows into or from the investment equal to zero, and is calculated based on the amount of each cash flow received or invested by the Company and the day it was received or invested. The investment in Atrium Innovations was a lower yielding, liquid investment completed with the intention of satisfying certain diversification requirements, rather than generating the higher IRR we typically seek with our debt investments.

On December 20, 2016, the Company sold its $0.5 million junior secured debt investment in Applied Systems, Inc. for $0.5 million. The Company generated a gross IRR of 8.1% on this exit. The investment in Applied Systems was a lower yielding, liquid investment completed with the intention of satisfying certain diversification requirements, rather than generating the higher IRR we typically seek with our debt investments.

On December 27, 2016, the Company received a full repayment at par on its $4.3 million senior secured debt investment in PD Products, LLC. The Company generated a gross IRR of 14.8% on this exit.

"We are pleased to report another quarter of strong earnings at Harvest Capital Credit for the fourth quarter of 2016, with net investment income ("NII") and core net investment income (“Core NII”) of $0.39 per share, which more than covers our dividends for the quarter of $0.34 per share,” declared Richard P. Buckanavage, President and CEO. “Net asset value per share was $13.86 at quarter and year end compared to $13.75 last quarter,” observed Mr. Buckanavage. “For full fiscal year 2016, we again out earned our annual dividend of $1.35 by generating NII and Core NII of $1.60 per share resulting in a dividend coverage ratio of 119%. As such, for the third consecutive year, shareholders of Harvest Capital Credit will enjoy the benefits of spillover income in 2017 produced though earnings in excess of the dividend in 2016. We were able to achieve these results despite a challenging deployment environment that persisted throughout the year,” concluded Mr. Buckanavage.

CREDIT QUALITY

The Company employs various risk management and monitoring tools to categorize and assess its investments. No less frequently than quarterly, the Company applies an investment risk rating system which uses a five-level numeric scale. The following is a description of the conditions associated with each investment rating:

- Investment Rating 1 is used for investments that are performing above expectations, and whose risks remain favorable compared to the expected risk at the time of the original investment.
- Investment Rating 2 is used for investments that are performing within expectations and whose risks remain neutral compared to the expected risk at the time of the original investment. All new loans are initially rated 2.
- Investment Rating 3 is used for investments that are performing below expectations and that require closer monitoring, but where no loss of return or principal is expected. Portfolio companies with a rating of 3 may be out of compliance with financial covenants.
- Investment Rating 4 is used for investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are

often in workout. Investments with a rating of 4 are those for which there is an increased possibility of some loss of return but no loss of principal is expected.

- Investment Rating 5 is used for investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are almost always in workout. Investments with a rating of 5 are those for which some loss of return and principal is expected.

As of December 31, 2016, the weighted average risk rating of the debt investments in the Company's portfolio increased to 2.01 from 1.97 in the previous quarter. Also, as of December 31, 2016, nine of the Company's twenty eight debt investments were rated 1, thirteen investments were rated 2, three investments were rated 3, two investments were rated 4, and one investment was rated 5. As of December 31, 2016, Peekay Acquisition, LLC and CRS Reprocessing LLC ("CRS") were the only loans on non-accrual status. In the case of CRS, we are recognizing interest income on the basis of cash collections, but not for PIK or OID amortization.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2016, the Company had $7.6 million of cash and restricted cash and $28.1 million of undrawn capacity on its $55.0 million senior secured revolving credit facility. The credit facility is secured by all of the Company's assets and has an accordion feature that allows the size of the facility to increase up to $85.0 million. The revolving period under the credit facility extends through April 30, 2017 and the final maturity date is October 29, 2018.

Additionally, the Company holds six syndicated loans totaling $21.8 million at fair value as of December 31, 2016. These investments could be sold and the proceeds re-invested in our core lower-middle market strategy, as attractive opportunities arise.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO DECEMBER 31, 2016

On January 27, 2017, we entered into an equity distribution agreement with JMP Securities LLC relating to up to 1,000,000 shares of our common stock that we may offer and sell from time to time at prices related to the prevailing market prices or at negotiated prices. Since entering into this agreement, we sold 107,074 shares at an average price of $14.22 per share.

On February 1, 2017, the Company declared monthly distributions of $0.1125 per share payable on each of February 23, 2017, March 23, 2017 and April 27, 2017.

On February 17, 2017, the Company received a full payoff at par on its $3.8 million junior secured debt investment in North Atlantic Trading Company, Inc. The Company generated a gross internal rate of return ("IRR") of 12.9% on this exit. IRR is the rate of return that makes the net present value of all cash flows into or from the investment equal to zero, and is calculated based on the amount of each cash flow received or invested by the Company and the day it was received or invested.

On February 23, 2017, the Company made an additional $1.0 million senior secured debt investment in WBL SPE II, LLC. The investment carries a fixed interest rate of 14.50%.

On February 27, 2017, the Company received a full repayment at par on its $1.7 million senior secured debt investment in WBL SPE I, LLC. The Company generated an IRR of 15.6% on this exit.

In late February 2017, SourceHOV LLC ("SourceHOV"), Novitex Holdings Inc. ("Novitex"), and Quinpario Acquisition Corp. 2 publicly announced that they would combine to form Exela Technologies (a NASDAQ listed provider of business process outsourcing services). The Company has debt investments in both SourceHOV and Novitex. If this proposed combination is completed, then the Company's debt investments in SourceHOV and Novitex would be repaid in full at par plus any applicable call premium. The transaction is expected to close in the second quarter of 2017, subject to regulatory approval. If the closing of the transaction is successful, the Company would receive a payment of 102% of par on its $4.0 million face value investment in the SourceHOV second lien tranche. As of December 31, 2016, we ascribed a fair value to this investment equal to approximately 67% of par, which was determined based on available information prior to the notification of the proposed transaction.

On March 3, 2017, the Company made a $2.0 million junior secured debt investment in Turning Point Brands, Inc. / North Atlantic Trading Company, Inc. The investment carries a fixed interest rate of 11.00%

On March 10, 2017, the Company negotiated a new cap with JMP Credit Advisors on amounts payable by the Company under the administration agreement during the 2017 fiscal and calendar year. This cap set the maximum amount that would be payable by the Company for 2017 equal to $1.2 million.

CONFERENCE CALL

The Company will host a conference call on Wednesday, March 15, 2017 at 11:00 a.m. Eastern Time to discuss its fourth quarter and year end results. All interested parties are invited to participate in the conference call by dialing (888) 566-6060 (domestic) or (973) 200-3100 (international). Participants should enter the Conference ID 74606620 when prompted.

ABOUT HARVEST CAPITAL CREDIT CORPORATION

Harvest Capital Credit Corporation (NASDAQ: HCAP) provides customized financing solutions to privately held small and mid-sized companies in the U.S., generally targeting companies with annual revenues of less than $100 million and annual EBITDA of less than $15 million. The Company's investment objective is to generate both current income and capital appreciation primarily by making direct investments in the form of subordinated debt, senior debt and, to a lesser extent, minority equity investments. Harvest Capital Credit Corporation is externally managed and has elected to be treated as a business development company under the Investment Company Act of 1940.

Forward-Looking Statements

This press release contains forward-looking statements subject to the inherent uncertainties in predicting future results and conditions. Any statements that are not of historical fact (including statements containing the words "believes", "plans", "anticipates", "expects", "estimates", and similar expressions) should also be considered to be forward-looking statements. Certain factors could cause actual results and conditions to differ materially from those projected in these forward-looking statements. These factors are identified from time to time in our filings with the Securities and Exchange Commission. We undertake no obligation to update such statements to reflect subsequent events, except as may be required by law.

Harvest Capital Credit Corporation

Consolidated Statements of Assets and Liabilities

	December 31,	
	2016	**2015**
ASSETS:		
Non-affiliated/non-control investments, at fair value (cost of $120,162,148 at 12/31/16 and $135,198,490 at 12/31/15)	$ 119,032,736	$ 135,516,729
Affiliated investments, at fair value (cost of $15,994,294 at 12/31/16 and $9,031,772 at 12/31/15)	12,137,552	7,243,697
Control investments, at fair value (cost of $2,943,277 at 12/31/16 and $0 at 12/31/15)	2,931,246	—
Total investments, at fair value (cost of $139,099,719 at 12/31/16 and $144,230,262 at 12/31/15)	134,101,534	142,760,426
Cash	4,472,749	595,047
Restricted cash	3,084,229	2,474,362
Interest receivable	578,140	1,112,885
Accounts receivable – other	27,135	304,969
Deferred offering costs	813,807	1,023,246
Deferred financing costs	542,342	748,637
Other assets	84,969	118,287
Total assets	$ 143,704,905	$ 149,137,859
LIABILITIES:		
Revolving line of credit	$ 26,946,613	$ 29,698,293
Unsecured notes	27,500,000	27,500,000
Accrued interest payable	421,534	412,099
Accounts payable - base management fees	693,190	739,517
Accounts payable - incentive management fees	202,235	848,841
Accounts payable - administrative services	276,214	220,872
Accounts payable - accrued expenses	499,907	282,949
Other liabilities	42,916	21,032
Total liabilities	56,582,609	59,723,603
Commitments and contingencies (Note 8)		
NET ASSETS:		
Common stock, $0.001 par value, 100,000,000 shares authorized, 6,313,272 issued and 6,287,496 outstanding at 12/31/16 and 6,269,669 issued and outstanding at 12/31/15	6,313	6,270
Capital in excess of common stock	90,433,114	89,989,686
Treasury shares at cost, 25,776 and 0 shares at 12/31/16 and 12/31/15, respectively	(322,137)	—
Accumulated realized losses on investments	(1,537,506)	(1,066,131)
Net unrealized depreciation on investments	(4,998,185)	(1,469,836)
Undistributed net investment income	3,540,697	1,954,267
Total net assets	87,122,296	89,414,256
Total liabilities and net assets	$ 143,704,905	$ 149,137,859
Common stock outstanding	6,287,496	6,269,669
Net asset value per common share	$ 13.86	$ 14.26

Harvest Capital Credit Corporation

Consolidated Statements of Operations

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
Investment Income:				
Interest:				
Cash - non-affiliated/non-control investments	$ 3,608,929	$ 4,871,030	$ 16,055,958	$ 16,032,738
Cash - affiliated investments	340,902	204,407	1,253,098	477,407
Cash - control investments	69,350	—	133,966	—
PIK - non-affiliated/non-control investments	498,619	202,993	1,462,755	1,091,792
PIK - affiliated investments	—	—	—	—
PIK - control investments	17,878	—	35,978	—
Amortization of fees, discounts and premiums, net:				
Non-affiliated/non-control investments	616,817	1,010,578	1,819,960	2,240,199
Affiliated investments	12,654	71,800	(24,003)	231,927
Control investments	799	—	799	—
Total interest income	5,165,948	6,360,808	20,738,511	20,074,063
Other income	31,352	213,623	154,963	252,833
Total investment income	**5,197,300**	**6,574,431**	**20,893,474**	**20,326,896**
Expenses:				
Interest expense - revolving line of credit	260,470	351,753	1,183,431	921,284
Interest expense - unsecured notes	481,251	481,251	1,925,004	1,785,976
Interest expense - unused line of credit	48,245	23,378	146,728	243,800
Interest expense - deferred financing costs	73,956	66,057	278,733	264,228
Interest expense - deferred offering costs	50,691	46,827	196,872	167,255
Total interest expense	914,613	969,266	3,730,768	3,382,543
Professional fees	283,191	142,427	827,793	747,032
General and administrative	344,427	220,887	1,021,516	869,391
Base management fees	693,189	739,517	2,899,416	2,710,993
Incentive management fees	202,235	848,841	1,394,382	2,234,551
Administrative services expense	276,214	220,872	905,586	729,978
Total expenses	**2,713,869**	**3,141,810**	**10,779,461**	**10,674,488**
Net investment income, before tax	**2,483,431**	**3,432,621**	**10,114,013**	**9,652,408**
Excise tax expense	50,551	37,257	61,591	1,393
Net investment income, after taxes	**2,432,880**	**3,395,364**	**10,052,422**	**9,651,015**
Net realized gains (losses):				
Non-affiliated / Non-control investments	(54,906)	(100,972)	624,677	(1,057,355)
Affiliate investments	—	—	(1,142,263)	—
Net realized losses on investments	(54,906)	(100,972)	(517,586)	(1,057,355)
Net change in unrealized appreciation (depreciation) on investments	398,801	(1,199,629)	(3,528,349)	(2,182,647)
Total unrealized and realized gains (losses) on investments	**343,895**	**(1,300,601)**	**(4,045,935)**	**(3,240,002)**
Net increase in net assets resulting from operations	**$ 2,776,775**	**$ 2,094,763**	**$ 6,006,487**	**$ 6,411,013**
Net investment income per share	$0.39	$0.54	$1.60	$1.54
Net increase in net assets resulting from operations per share	$0.44	$0.33	$0.96	$1.03
Weighted average shares outstanding (basic & diluted)	6,282,324	6,263,609	6,282,360	6,249,346
Distributions paid per common share	$0.34	$0.34	$1.35	$1.35

SCHEDULE 1

Reconciliations of Net Investment Income to Core Net Investment Income

	Three months ended December 31,				Year ended December 31,			
	2016		2015		2016		2015	
	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)
Net investment income	$2,432,880	$0.39	$3,395,364	$0.54	$10,052,426	$1.60	$9,651,015	$1.54
Excise tax credit on capital gains	—	—	—	—	—	—	(21,802)	—
Capital gains incentive fees	—	—	—	—	—	—	($142,562)	($0.02)
Core net investment income	$2,432,880	$0.39	$3,395,364	$0.54	$10,052,426	$1.60	$9,486,651	$1.52

(1) All per share amounts are basic and diluted unless indicated otherwise.

The purpose of core net investment income is to present net investment income without the effect of incentive fees related to items not included in net investment income, and without the effect of any excise taxes related to realized capital gains and losses. Incentive fees are reflected above the net investment income line on the income statement and thus affect net investment income for GAAP purposes. However, realized gains or losses and unrealized appreciation or depreciation are reflected below the net investment income line item on the income statement. Accordingly, capital gains incentive fees are reflected above the net investment income line item in the income statement even though the related realized gains or losses and unrealized appreciation or depreciation are reflected below the net investment income line item on the income statement. Any excise taxes related to realized capital gains and losses are also reflected above the net investment income line item in the income statement even though the related realized gains or losses and unrealized appreciation or depreciation are reflected below the net investment income line item on the income statement. Core net investment income adds the capital gains incentive fee and any excise taxes related to realized capital gains and losses back to Net investment income so the capital gains incentive fee, any excise taxes related to realized capital gains and losses and the related realized gains or losses and unrealized appreciation or depreciation are all excluded from net investment income.

The capital gains incentive fee is determined and paid annually with respect to cumulative realized capital gains (but not unrealized capital gains) to the extent such cumulative realized capital gains exceed cumulative realized and unrealized capital losses through the end of such fiscal year (less the aggregate amount of any previously paid capital gain incentive fee). The Company also records an expense accrual relating to the capital gains incentive fee payable by the Company to its investment adviser when (i) the cumulative unrealized and realized gains on its investments exceed all cumulative realized and unrealized capital losses on its investments and (ii) the capital gains incentive fee that would be payable exceeds the aggregate amount of any previously paid capital gain incentive fee given the fact that a capital gains incentive fee would be owed to the investment adviser if the Company were to liquidate its investment portfolio at such time. Any decrease in unrealized appreciation in subsequent periods will result in the reversal of some or all of such previously recorded expense accrual. The actual incentive fee payable to the Company's investment adviser related to capital gains is determined and payable in arrears at the end of each fiscal year and is only based on cumulative realized capital gains, including realized capital gains for such period, but not unrealized capital gains.

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