HARVEST
CAPITAL CREDIT

HARVEST CAPITAL CREDIT CORPORATION ANNOUNCES JUNE 30, 2017 FINANCIAL RESULTS AND DECLARES REGULAR MONTHLY DISTRIBUTIONS FOR JULY, AUGUST AND SEPTEMBER AND A $0.10 PER SHARE SPECIAL DISTRIBUTION

NEW YORK, August 9, 2017 — Harvest Capital Credit Corporation ("Harvest Capital" or the "Company") (NASDAQ: HCAP) announced that its Board of Directors declared distributions of $0.1125 per share for the months of July, August and September. The July distribution is payable on August 24, 2017 to shareholders of record on August 17, 2017. The August distribution is payable on September 28, 2017 to shareholders of record on September 21, 2017. The September distribution is payable on October 26, 2017 to shareholders of record on October 19, 2017. The Company also announced that its Board of Directors declared a special distribution of $0.10 per share payable on October 26, 2017 to shareholders of record on October 19, 2017. The Company's distributions may include a return of capital to shareholders to the extent that the Company's net investment income and net capital gains are insufficient to support the distributions. Distributions that are treated for tax purposes as a return of capital will reduce each shareholder's basis in his, her or its shares. Returns of shareholder capital also have the effect of reducing the Company's assets.

FINANCIAL HIGHLIGHTS

	Q2-17		Q2-16		YTD-17		YTD-16	
	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share
Net investment income	$2,514,706	$0.39	$2,069,469	$0.33	$4,752,363	$0.75	$4,640,874	$0.74
Core net investment income (1)	$2,514,706	$0.39	$2,069,469	$0.33	$4,752,363	$0.75	$4,640,874	$0.74
Net realized gains (losses) on investments	$267,019	$0.04	$55,226	$0.01	$271,115	$0.04	($2,616,649)	($0.42)
Net change in unrealized depreciation	$(4,641,564)	$(0.72)	($1,132,027)	($0.18)	($4,549,764)	($0.71)	($1,164,559)	($0.19)
Net (loss) income	($1,859,839)	($0.29)	$992,668	$0.16	$473,714	$0.07	$859,666	$0.14
Weighted average shares outstanding (basic and diluted)	6,407,362		6,286,014		6,378,953		6,280,428	

(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

	June 30, 2017	December 31, 2016
Portfolio investments at fair value	$ 137,167,137	$ 134,101,534
Total assets	$ 148,341,767	$ 142,989,647
Net assets	$ 84,965,180	$ 87,122,296
Shares outstanding	6,412,169	6,287,496
Net asset value per share	$ 13.25	$ 13.86

	Q2-17	Q2-16	YTD - 17	YTD -16
Portfolio activity during the period:				
New debt investments	$ 15,449,797	$ 2,500,000	$ 30,527,222	$ 20,300,000
New equity investments	1,600,000	—	2,643,640	3,900,000
Exits of debt investments	(6,474,698)	—	(10,697,645)	(10,445,183)
Exits of equity investments	(84,379)	—	(84,379)	(290,284)
Principal repayments	(7,561,268)	(4,308,356)	(14,066,378)	(7,106,859)
Net activity	$ 2,929,452	$ (1,808,356)	$ 8,322,460	$ 6,357,674

	June 30, 2017	December 31, 2016
Number of portfolio company investments	37	31
Weighted average yield of debt and other income producing investments (1):		
Cash	11.4%	12.3%
PIK	1.2%	1.4%
Fee amortization	2.0%	1.7%
Total	14.6%	15.4%
Weighted average yield on total investments (1):		
Cash	10.9%	11.5%
PIK	1.1%	1.3%
Fee amortization	1.9%	1.6%
Total	13.9%	14.4%

(1) The weighted average annualized effective yield on debt and other income-producing investments 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 as a percentage of our debt and other income-producing investments. CRS Reprocessing, LLC, Peekay Acquisition, LLC and the IAG Revenue Linked Security were excluded from the calculation as of June 30, 2017 because they were on non-accrual status on that date. CRS Reprocessing, LLC and Peekay Acquisition, LLC were excluded from the calculation as of December 31, 2016 because they were on non-accrual status on that date. Shinnecock CLO 2006-1, Ltd. and other equity components of the investment portfolio were also excluded from these calculations either because they do not have stated interest rates or are non-income producing.

The weighted average annualized yield on total investments takes the same yields but weights them to determine the weighted average effective yield as a percentage of the Company's total investments. The 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.

SECOND QUARTER AND YEAR TO DATE 2017 OPERATING RESULTS

For the quarter ended June 30, 2017, the Company reported a $2.9 million decrease in net income, compared to the quarter ended June 30, 2016. The net loss was $(1.9) million, or $(0.29) per share, compared to net income of $1.0 million, or $0.16 per share, for the quarter ended June 30, 2016.

For the quarter ended June 30, 2017, the Company reported a $0.4 million increase in net investment income and core net investment income, compared to the quarter ended June 30, 2016. Net investment income and core net investment income were $2.5 million, or $0.39 per share, for the quarter ended June 30, 2017, compared to $2.1 million, or $0.33 per share, for the quarter ended June 30, 2016.

The decrease in net income for the quarter ended June 30, 2017 was primarily attributable to a $3.5 million negative change in net unrealized depreciation, partially offset by a $0.4 million increase in net investment income and a $0.2 million increase in net realized gains, for the quarter ended June 30, 2017, as compared to the quarter ended March 31, 2016.

Net investment income and core net investment income increased in the quarter ended June 30, 2017, as compared to the quarter ended June 30, 2016, primarily as a result of lower incentive fee expense in the quarter ended June 30, 2017. The incentive fee was reduced due to the portfolio depreciation experienced during the quarter and its triggering of the total return provision in our investment advisory and management agreement.

The increase in portfolio depreciation was primarily a result of $(4.1) million of net unrealized depreciation on our investment in CRS Reprocessing, LLC ("CRS") during the quarter ended June 30, 2017. CRS has been on non-accrual status since the third quarter of 2016. In the fourth quarter of 2016, we agreed to extend the maturity date of our investment from March 30, 2017 to September 30, 2017. The debt at CRS senior to the our investment, however, matured on June 30, 2017 without repayment, and the company has thus far been unable to reach satisfactory extension terms. Our loan remains on non-accrual at June 30, 2017 and the fair value has been reduced to $0.

As of June 30, 2017, our total portfolio investments at fair value and total assets were $137.2 million and $148.3 million, respectively, compared to $134.1 million and $143.0 million at December 31, 2016. Net asset value per share was $13.25 at June 30, 2017, compared to $13.86 at December 31, 2016.

During the second quarter of 2017, the Company made investments in five companies totaling $17.0 million. Four of the investments were in new portfolio companies and one was an additional investment in an existing portfolio company. The Company also had investment sales, payoffs and commitment expirations totaling $6.5 million during the three months ended June 30, 2017. The investment activity for the quarter ended June 30, 2017 was as follows:

NEW AND INCREMENTAL INVESTMENTS

On April 19, 2017, the Company made a $4.0 million junior secured debt investment in Shannon Specialty Floors, LLC. The investment carries an interest rate of LIBOR plus 11.00% with a 1.00% LIBOR floor.

On April 21, 2017, the Company made a $1.1 million senior secured debt investment in AMS Flight Leasing, LLC. The investment carries a fixed cash interest rate of 14.00%. The proceeds of the investment were used to purchase an engine from another portfolio company, IAG Engine Center, LLC ("IAG"). The proceeds of the engine purchase were used to pay down our debt investment in IAG.

On April 28, 2017, the Company made a $3.0 million senior secured debt investment and $0.3 million revolver investment in King Engineering Associates, Inc. The investments carry an interest rate of LIBOR plus 10.00%. The revolver was unfunded at close.

On May 1, 2017 and June 20, 2017, the Company made $0.1 million in additional senior secured debt investments in IAG Engine Center, LLC. The debt investment carries a fixed cash interest rate of 14.00%.

On May 19, 2017, the Company made an additional $0.3 million senior secured debt investment and a $1.6 million preferred equity investment in existing portfolio company Northeast Metal Works LLC. The debt investment carries an interest rate of 15.00% (11.00% Cash / 4.00% PIK). The equity investment carries a 10.00% PIK dividend rate.

On May 31, 2017, the Company made a $5.6 million senior secured debt investment and $1.0 million revolver investment in DirectMed Parts & Service LLC. The senior secured debt investment carries an interest rate of LIBOR plus 9.50% with a 1.00% LIBOR floor. The revolver carries an interest rate of LIBOR plus 6.50% with a 1.0% LIBOR floor. The revolver was unfunded at close.

INVESTMENT SALES AND PAYOFFS

On April 21, 2017, the Company's $0.3 million senior secured revolver commitment to WorkWell, LLC expired.

On May 25, 2017, the Company received a par payoff on its $6.2 million senior secured debt investment in WBL SPE II, LLC ("WBL II"). The Company generated a gross internal rate of return ("IRR") of 19.3% 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.

On June 6, 2017, the Company sold $0.1 million (cost basis) of its equity investment in Mercury Network, LLC for $0.4 million.

"We are pleased to report another quarter in which Harvest Capital Credit out-earned its dividend of $0.34 per share by generating $0.39 per share of net investment income and core net investment income for the second quarter of 2017," declared Richard P. Buckanavage, President and CEO. "It was another busy quarter in terms of both deployment and repayments but we did achieve net portfolio growth in terms of capital invested and the number of portfolio companies increased to 37 from 34 at previous quarter end," observed Mr. Buckanavage. "Our dividend coverage ratio of approximately 115% for the second quarter following a 103% coverage ratio in the first quarter, along with $0.44 per share of spillover income carried over from 2016, enabled the board of directors to declare a special dividend of $0.10 per share and allow us to continue to maintain approximately a full quarter's worth of dividend coverage from spillover income," 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 June 30, 2017, the weighted average risk rating of the debt investments in the Company's portfolio increased to 2.05 from 2.03 in the previous quarter. Also, as of June 30, 2017, eight of the Company's thirty-three debt investments were rated 1, nineteen investments were rated 2, two investments were rated 3, two investments were rated 4, and two investments were rated 5. As of June 30, 2017, two loans and a revenue linked security were on non-accrual status.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2017, the Company had $9.7 million of cash and restricted cash and $20.4 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.

Additionally, the Company holds six syndicated loans totaling $21.6 million at fair value as of June 30, 2017. 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 JUNE 30, 2017

On July 3, 2017, the Company received a full repayment at par on its $9.6 million senior secured debt investment in Fox Rent A Car, Inc ("Fox"). The Company also received a $1.0 million exit fee and a $0.1 million warrant amendment fee. The Company generated an IRR of 18.9% on its debt investment in Fox and still retains its warrant position in the company.

On July 7, 2017, the Company made a $3.3 million senior secured debt investment and a $1.0 million equity investment in Instant Sales Solutions, Inc. The debt investment consists of a $3.0 million term loan that carries a fixed cash interest rate of 13.25% and a $0.3 million revolver that carries an interest rate of LIBOR plus 9.0% with a 1.00% LIBOR floor. The revolver was unfunded at close.

On July 12, 2017, the Company received a full repayment at par plus a 1.0% prepayment fee on its $7.0 million junior secured debt investment in Novitex Acquisition, LLC. The Company generated an IRR of 13.3% on its investment.

On July 12, 2017, the Company received a full repayment at par plus a 2.0% prepayment fee on its $4.0 million junior secured debt investment in Source HOV LLC. The Company generated an IRR of 13.0% on its investment.

On July 25 2017, the Company received a full repayment at par on its $5.5 million senior secured debt investment in Brite Media Group LLC. The Company generated an IRR of 13.3% on its investment.

On August 7, 2017, the Company received a full repayment at par plus a 2.0% prepayment fee on its $1.6 million junior secured debt investment in Mercury Network, LLC ("Mercury"). The Company generated an IRR of 12.8% on its debt investment. On the same date, the Company also sold its remaining equity investment in the company for $0.2 million. The Company generated an IRR of 99.0% on its equity investment. On a combined basis, the Company generated an IRR of 18.8% on its investments in Mercury.

CONFERENCE CALL

The Company will host a conference call on Wednesday, August 9, 2017 at 11:00 a.m. Eastern Time to discuss its first quarter 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 53260917 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 (Unaudited)

	June 30, 2017	December 31, 2016
ASSETS:		
Non-affiliated/non-control investments, at fair value (cost of $109,807,232 at 6/30/17 and $120,162,148 at 12/31/16)	$ 105,715,242	$ 119,032,736
Affiliated investments, at fair value (cost of $35,173,023 at 6/30/17 and $15,994,294 at 12/31/16)	29,660,797	12,137,552
Control investments, at fair value (cost of $1,734,831 at 6/30/17 and $2,943,277 at 12/31/16)	1,791,098	2,931,246
Total investments, at fair value (cost of $146,715,086 at 6/30/17 and $139,099,719 at 12/31/16)	137,167,137	134,101,534
Cash	4,069,966	4,472,749
Restricted cash	5,622,936	3,084,229
Interest receivable	478,213	578,140
Accounts receivable – other	52,191	27,135
Deferred offering costs	128,072	98,549
Deferred financing costs	599,199	542,342
Other assets	224,053	84,969
Total assets	$ 148,341,767	$ 142,989,647
LIABILITIES:		
Revolving line of credit	$ 34,564,854	$ 26,946,613
Unsecured notes (net of deferred offering costs of $610,813 at 6/30/17 and $715,258 at 12/31/16)	26,889,187	26,784,742
Accrued interest payable	469,684	421,534
Accounts payable - base management fees	695,760	693,190
Accounts payable - incentive management fees	—	202,235
Accounts payable - administrative services	300,000	276,214
Accounts payable - accrued expenses	348,123	499,907
Other liabilities	108,979	42,916
Total liabilities	63,376,587	55,867,351
Commitments and contingencies (Note 8)		
NET ASSETS:		
Common stock, $0.001 par value, 100,000,000 shares authorized, 6,437,945 issued and 6,412,169 outstanding at 6/30/17 and 6,313,272 issued and 6,287,496 outstanding at 12/31/16	6,438	6,313
Capital in excess of common stock	92,111,365	90,433,114
Treasury shares at cost, 25,776 shares at 6/30/17 and 12/31/16, respectively	(322,137)	(322,137)
Accumulated realized losses on investments	(1,266,391)	(1,537,506)
Net unrealized depreciation on investments	(9,547,949)	(4,998,185)
Undistributed net investment income	3,983,854	3,540,697
Total net assets	84,965,180	87,122,296
Total liabilities and net assets	$ 148,341,767	$ 142,989,647
Common stock outstanding	6,412,169	6,287,496
Net asset value per common share	$ 13.25	$ 13.86

Harvest Capital Credit Corporation
Consolidated Statements of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Investment Income:				
Interest:				
Cash - non-affiliated/non-control investments	$ 3,065,834	$ 3,552,174	$ 5,884,704	$ 8,107,925
Cash - affiliated investments	789,892	332,771	1,506,232	574,736
Cash - control investments	72,993	31,155	165,950	31,155
PIK - non-affiliated/non-control investments	254,277	387,391	577,071	541,216
PIK - affiliated investments	186,288	9,973	354,325	9,973
Amortization of fees, discounts and premiums				
Non-affiliated/non-control investments	639,318	359,547	1,086,313	909,361
Affiliated investments	45,276	—	132,532	—
Control investments	5,943	6,861	9,468	(45,845)
Total interest income	5,059,821	4,679,872	9,716,595	10,128,521
Other income	23,568	48,889	36,532	73,586
Total investment income	**5,083,389**	**4,728,761**	**9,753,127**	**10,202,107**
Expenses:				
Interest expense – revolving line of credit	328,818	342,754	528,837	597,332
Interest expense - unused line of credit	30,891	23,815	96,734	71,535
Interest expense - deferred financing costs	52,872	66,935	127,720	132,992
Interest expense - unsecured notes	481,251	481,251	962,502	962,502
Interest expense - deferred offering costs	52,740	48,721	104,445	96,485
Total interest expense	946,572	963,476	1,820,238	1,860,846
Professional fees	331,532	195,896	552,786	377,790
General and administrative	294,819	227,069	540,545	445,546
Base management fees	695,760	744,016	1,375,944	1,481,831
Incentive management fees	—	318,536	58,005	961,387
Administrative services expense	300,000	210,299	600,000	431,218
Total expenses	**2,568,683**	**2,659,292**	**4,947,518**	**5,558,618**
Net Investment Income, before taxes	**2,514,706**	**2,069,469**	**4,805,609**	**4,643,489**
Excise tax	—	—	(53,246)	(2,615)
Net Investment Income, after taxes	**2,514,706**	**2,069,469**	**4,752,363**	**4,640,874**
Net realized gains (losses):				
Non-Affiliated / Non-Control investments	267,019	55,226	271,115	(22,296)
Affiliated investments	—	—		(1,142,263)
Net realized gains (losses)	267,019	55,226	271,115	(1,164,559)
Net change in unrealized depreciation on investments	(4,641,564)	(1,132,027)	(4,549,764)	(2,616,649)
Total net unrealized and realized gains (losses) on investments	**(4,374,545)**	**(1,076,801)**	**(4,278,649)**	**(3,781,208)**
Net (decrease) increase in net assets resulting from operations	**$ (1,859,839)**	**$ 992,668**	**$ 473,714**	**$ 859,666**
Net investment income per share	$0.39	$0.33	$0.75	$0.74
Net (decrease) increase in net assets resulting from operations per share	($0.29)	$0.16	$0.07	$0.14
Weighted average shares outstanding (basic and diluted)	6,407,362	6,286,014	6,378,953	6,280,428
Dividends paid per common share	$0.34	$0.34	$0.68	$0.68

SCHEDULE 1

Reconciliations of Net Investment Income to Core Net Investment Income

	Three months ended June 30,				Six months ended June 30,			
	2017		2016		2017		2016	
	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)
Net investment income	$2,514,706	$0.39	$2,069,469	$0.33	$4,752,363	$0.75	$4,640,873	$0.74
Capital gains incentive fees	—	—	—	—	—	—	—	—
Core net investment income	$2,514,706	$0.39	$2,069,469	$0.33	$4,752,363	$0.75	$4,640,873	$0.74

(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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