HARVEST
CAPITAL CREDIT

HARVEST CAPITAL CREDIT CORPORATION ANNOUNCES JUNE 30, 2014 FINANCIAL RESULTS AND DECLARES DISTRIBUTIONS FOR JULY, AUGUST AND SEPTEMBER

NEW YORK, August 13, 2014 — 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 29, 2014 to shareholders of record on August 25, 2014. The August distribution is payable on September 25, 2014 to shareholders of record on September 18, 2014. The September distribution is payable on October 23, 2014 to shareholders of record on October 16, 2014. 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

	Q2-14		Q2-13		YTD - 14		YTD - 13	
	Amount	Per share (1, 2)	Amount	Per share (1, 2)	Amount	Per share (1, 2)	Amount	Per share (1, 2)
Net investment income ("NII")	$1,813,348	$0.29	$1,262,856	$0.30	$3,879,388	$0.63	$2,027,798	$0.75
Core net investment income (3)	$1,929,078	$0.31	$1,251,619	$0.29	$4,030,606	$0.65	$2,119,624	$0.78
Net unrealized appreciation (depreciation)	$575,533	$0.09	($56,184)	($0.01)	$752,975	$0.12	$459,128	$0.17
Net income	$2,391,998	$0.39	$1,206,672	$0.28	$4,635,480	$0.75	$2,486,926	$0.92
Net income (diluted)	$2,391,998	$0.39	$1,206,672	$0.28	$4,635,480	$0.75	$2,486,926	$0.91
Weighted average shares outstanding	6,176,245		4,245,594		6,166,236		2,717,632	
Weighted average shares outstanding (diluted)	6,176,245		4,247,627		6,166,236		2,719,665	

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

(2) The Company acquired Harvest Capital Credit LLC ("HCC LLC") on May 2, 2013 and did not have any operations prior to the acquisition. As such, for the periods prior to the acquisition, we are presenting the historical financial results of HCC LLC as our financial results. When we acquired HCC LLC, we issued shares of our common stock in exchange for all of HCC LLC's outstanding membership interests at a rate of .9913 shares of our common stock for each membership interest. As a result of this transaction, we have retroactively applied the aforementioned exchange/conversion rate to all unit measurements relating to HCC LLC's membership interests and have replaced all references to membership interests of HCC LLC herein with shares of common stock of the Company.

(3) Core Net Investment Income and Core Net Investment Income per share are non-GAAP financial measures that are calculated by excluding changes in the accrued capital gains incentive fees that affect Net Investment Income for GAAP purposes. Such accrued fees are

related to the cumulative net unrealized appreciation in the Company's investment portfolio recorded in the Company's financial statements in a particular period and the changes thereto in subsequent periods. The capital gains incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized capital losses for such year. The Company records an expense accrual in the financial statements relating to the capital gains incentive fee payable by the Company to its investment adviser when the net unrealized gains on its investments exceed all realized capital losses on its investments 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. The actual incentive fee payable to the Company's investment adviser related to capital gains will be determined and payable in arrears at the end of each fiscal year and will include only realized capital gains for the period. Reconciliations of Core Net Investment Income and Core Net Investment Income per share to the most directly comparable GAAP financial measure are set forth in Schedule 1 hereto.

PORTFOLIO ACTIVITY

	As of	
	June 30, 2014	December 31, 2013
Portfolio investments at fair value	$90,538,074	$70,552,476
Total assets	$95,395,108	$91,345,251
Net assets	$89,865,048	$88,854,486
Shares outstanding	6,187,969	6,148,227
Net assets per share	$14.52	$14.45

	Q2-14	Q2-13	YTD - 14	YTD - 13
Portfolio activity during the period:				
New commitments	$19,855,133	$5,500,000	$30,463,963	$5,500,000
Exits of commitments	(8,875,308)	($4,236,117)	($8,875,308)	($4,236,117)
Net activity	$10,979,825	$1,263,883	$21,588,655	$1,263,883

	As of	
	June 30, 2014	December 31, 2013
Number of portfolio company investments	27	21
Weighted average yield of debt investments:		
at fair value (1)	15.4%	16.6%

(1) Computed as (a) annual stated amount of interest or yield earned plus the net annual amortization of original issue discount and other deferred fees earned on accruing debt investments, divided by (b) total debt investments at fair value.

SECOND QUARTER OF 2014 AND YEAR-TO-DATE OPERATING RESULTS

For the quarter ended June 30, 2014, the Company reported a 98% increase in net income, a 54% increase in core net investment income and a 44% increase in net investment income compared to the quarter ended June 30, 2013. Net income for the quarter ended June 30, 2014 was $2.4 million, or $0.39 per share, compared to $1.2 million, or $0.28 per share, for the quarter ended June 30, 2013. Net investment income was $1.8 million, or $0.29 per share, for the quarter ended June 30, 2014 compared to $1.3 million, or $0.30 per share, for the quarter ended June 30, 2013. Core net investment income was $1.9 million, or $0.31 per share, for the quarter ended June 30, 2014 compared to $1.3 million, or $0.29 per share, for the quarter ended June 30, 2013. The increases in net income, core net investment income and net investment income were primarily attributable to a larger investment portfolio in the quarter ended June 30, 2014 as compared to June 30, 2013.

For the six months ended June 30, 2014, the Company reported a 86% increase in net income, a 90% increase in core net investment income and a 91% increase in net investment income compared to the six months ended June 30, 2013. Net income for the six months ended June 30, 2014 was $4.6 million, or $0.75 per basic and diluted share, compared to $2.5 million, or $0.92 per basic share and $0.91 per diluted share, for the six months ended June 30, 2013. Net investment income was $3.9 million, or $0.63 per share, for the six months ended June 30, 2014 compared to $2.0 million, or $0.75 per share, for the six months ended June 30, 2013. Core net investment income was $4.0 million, or $0.65 per share, for the six months ended June 30, 2014 compared to $2.1 million, or $0.78 per share, for the six months ended June 30, 2013. The increases in net income, core net investment income and net investment income were primarily attributable to a larger investment portfolio in the six months ended June 30, 2014 as compared to June 30, 2013.

As of June 30, 2014, portfolio investments and total assets were $90.5 million and $95.4 million respectively, compared to $70.5 million and $91.3 million at December 31, 2013. Net assets per share were $14.52 at June 30, 2014 compared to $14.45 at December 31, 2013.

During the second quarter of 2014, the Company invested in three companies totaling $19.9 million. Two of the investments were in new portfolio companies and one was an additional investment in an existing portfolio company. The Company did not fund any previously unfunded commitments during the second quarter of 2014. The investment activity for the quarter ended June 30, 2014 was as follows:

> On April 24, 2014, the Company made a $10.1 million investment in Brite Media LLC. The investment is comprised of a $9.0 million senior secured term loan, a $1.0 million revolver and a $0.1 million investment in common equity. The debt tranches of this investment carry an all cash interest rate of LIBOR plus 9.50% with a LIBOR floor of 0.75%. The revolver was undrawn as of June 30, 2014. On May 21, 2014, the Company sold $3.0 million of the term loan and $0.3 million of the revolver on this investment.
>
> On May 7, 2014, the Company refinanced the debt of an existing portfolio company, Douglas Machines Corp. The new $5.9 million financing is comprised of a $4.4 million senior secured term loan and a $1.5 million senior secured revolver, which was almost entirely undrawn as of June 30, 2014. The term loan carries a 13.50% fixed interest rate and the

revolver carries an interest rate of LIBOR plus 9.50% with a LIBOR floor of 0.20%. The portfolio company used the proceeds of the new financing to retire all of its prior outstanding indebtedness, including a $4.3 million subordinated debt investment made by the Company.

On May 16, 2014, the Company sold its $1.2 million investment in EWT Holdings III Corp. at a price of 100.25% of par.

On June 13, 2014, the Company made a $3.8 million senior secured term loan investment in Lanco Acquisition, LLC. The investment was comprised of a $2.3 million Term Loan B carrying a fixed interest rate of 15.00%, a $0.8 million Term Loan A carrying an interest rate of LIBOR plus 11.00% with a 0.50% floor and a $0.7 million revolver carrying an interest rate of LIBOR plus 8.00% with a floor of 0.50%.

"We had a solid quarter despite the expiration of our investment adviser's agreement to waive its incentive fee to the extent necessary to support a minimum annual dividend yield of 9%," said Richard P. Buckanavage, President and CEO. "While net investment income fell a little shy of covering the second quarter dividend, our estimated taxable earnings exceeded the dividend for the period," added Mr. Buckanavage. "Based on our results year-to-date and pipeline activity, including several signed mandates totaling approximately $30 million, we remain confident that we will be able to cover the dividend as measured on an annual basis," concluded Mr. Buckanavage.

Certain features of our expense structure changed as a result of the completion of our IPO in May 2013 and since such time:

- The base management fee payable to our investment adviser prior to the IPO was calculated at an annual rate of 2.0% of our gross assets, including assets acquired with the use of borrowings. However, our investment adviser had agreed to waive the base management fee payable to it prior to the IPO with respect to any assets acquired by us through the use of borrowings under our secured revolving credit facility with JMP Group LLC until such time as the facility had been repaid in full and terminated. Moreover, our investment adviser received a base management fee prior to the IPO with respect to cash and cash equivalents held by us. Subsequent to the IPO, the base management fee is calculated based on our gross assets (which includes assets acquired with the use of leverage, but excludes cash and cash equivalents) at an annual rate of 2.0% on gross assets up to and including $350 million, 1.75% on gross assets above $350 million and up to and including $1 billion, and 1.5% on gross assets above $1 billion. Moreover, the waiver agreement described above with respect to assets acquired by us through the use of borrowings under the secured revolving credit facility was terminated in connection with our IPO. As a result, a base management fee is now payable to our investment adviser on all assets acquired by us through the use of borrowings.

- Our investment adviser agreed to permanently waive all or such portion of the incentive fee that it would otherwise be entitled to collect from us to the extent necessary to support a minimum dividend yield of 9% for the period of time commencing with our IPO through

March 31, 2014. For the six months ended June 30, 2014, incentive fees of $320,827 were waived pursuant to this arrangement.

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 grades the credit risk of all debt investments on a scale of 1 to 5. Under this system, an investment with a grade of 1 involves the least amount of risk and indicates performance from the portfolio company that exceeds underwritten expectations. Investments graded 2 involve a level of risk that is similar to the risk at the time of origination or acquisition. The portfolio company is generally performing as expected and the risk factors associated with our ability to ultimately recoup our investment are neutral to favorable. All new investments are initially assessed a grade of 2. Investments graded 3 indicate that the portfolio company is performing below expectations and requires closer monitoring. Investments graded 4 indicate performance substantially below expectations where some loss of return but no loss of principal is expected and payments are generally not more than 90 days past due. An investment grade of 5 indicates that the risk to our ability to recoup our investment has substantially increased since origination or acquisition, the portfolio company likely has materially declining performance, and some loss of return and principal is expected. For debt investments with an investment grade of 5, most or all of the debt covenants are out of compliance and payments are substantially delinquent.

As of June 30, 2014, the weighted average grade of the debt investments in our portfolio was 1.95, unchanged from last quarter. Also, as of June 30, 2014, twenty-one of the Company's debt investments were rated 2. Three investments were rated 1. One was rated 3 and one was rated 4. No loans were rated 5 or were on non-accrual status as of June 30, 2014.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2014, we had $2.9 million of unrestricted cash and had $3.6 million drawn on our $55.0 million revolving credit facility with CapitalSource Bank and City National Bank that closed during the fourth quarter of 2013. The credit facility is secured by all of the Company's assets and has a two year revolving period and a three year amortization period. Advances under the facility bear interest at a rate of LIBOR plus 4.50%. It also has an accordion feature that allows the size of the facility to increase up to $85 million. This facility replaced the Company's senior secured revolving credit facility with JMP Group LLC, which was terminated concurrently with the Company's entry into the new credit facility.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO JUNE 30, 2014

On July 7, 2014, the Company received a full repayment at par, plus a 3% prepayment fee, on its $4.5 million debt investment in the junior secured term loan of Arsloane Acquisition LLC (dba Pitney Bowes). The Company generated an IRR of 19.3% on this investment.

On July 7, 2014, the Company made a $7.0 million investment in the junior secured term loan of Novitex Acquisition, LLC (formerly known as Arsloane Acquisition LLC). The investment is priced at Libor plus 10.5% with a 1.25% Libor floor and matures on July 7, 2021.

On July 8, 2014, the Company sold its $2.0 million debt investment in Sybil Finance B.V. (Avast Software) at a price of 100.125% of par.

On July 23, 2014, the Company increased its debt investment in WBL SPE II, LLC an existing portfolio company, by $1.0 million. The investment, which is secured by a pool of loans, is priced at a 15% fixed rate of interest and has the same maturity date as the original investment

On August 5, 2014, the Company received a full repayment at par plus a 3% prepayment fee on its $3.9 million debt investment in Pawn Plus, Inc. The Company also received in excess of $0.1 million for the value of its warrant position in Pawn Plus, Inc. The Company generated an IRR of 28.6% on this investment.

CONFERENCE CALL

The Company will host a conference call on Wednesday, August 13, 2014 at 10:00 a.m. Eastern Time to discuss its second quarter results. All interested parties are invited to participate in the conference call by dialing (888) 566-6060. Participants should enter the Conference ID 81522145 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 and, to a lesser extent, senior debt as well as 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

Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of assumptions, risks and uncertainties, which change over time. Actual results may differ materially from those anticipated in any forward-looking statements as a result of a number of factors, including those described from time to time in filings by the Company with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.

Harvest Capital Credit Corporation

Statements of Assets and Liabilities (unaudited)

	June 30, 2014	December 31, 2013
ASSETS:		
Non-affiliated/non-control investments, at fair value (cost of $87,474,846 @ 6/30/14 and $68,241,970 @ 12/31/13)	$ 88,991,772	$ 69,012,300
Affiliated investments, at fair value (cost of $2,061,857 @ 6/30/14 and $2,062,107 @ 12/31/13)	1,546,302	1,540,176
Total investments, at fair value (cost of $89,536,703 @ 6/30/14 and $70,304,077 @ 12/31/13)	90,538,074	70,552,476
Cash	2,894,784	18,984,162
Interest receivable	539,813	449,902
Accounts receivable - other	23,445	11,344
Deferred financing costs	1,121,597	1,247,534
Other assets	277,395	99,833
Total assets	$ 95,395,108	$ 91,345,251
LIABILITIES:		
Revolving line of credit - related party	$ 3,555,928	$ -
Accrued interest payable	40,248	35,521
Accounts payable and accrued expenses	1,566,827	556,892
Other liabilities	367,057	1,898,352
Total liabilities	5,530,060	2,490,765
Commitments and contingencies		
NET ASSETS:		
Common stock, $0.001 par value, 100,000,000 shares authorized, and 6,187,969 issued and outstanding @ 6/30/14 and 6,148,227 issued and outstanding @ 12/31/13	6,188	6,148
Capital in excess of common stock	89,034,340	88,497,898
Net realized gains on investments	3,117	-
Net unrealized appreciation on investments	1,001,371	248,396
(Distributions in excess of) undistributed net investment income	(179,968)	102,044
Total net assets	89,865,048	88,854,486
Total liabilities and net assets	$ 95,395,108	$ 91,345,251
Common stock issued and outstanding	6,187,969	6,148,227
Nets asset value per common share	$ 14.52	$ 14.45

Harvest Capital Credit Corporation

Statements of Operations (unaudited)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Investment Income:				
Interest:				
Cash - non-affiliated/non-control investments	$ 2,729,784	$ 1,437,429	$ 5,111,289	$ 2,775,058
Cash - affiliate investments	54,922	55,194	110,988	109,344
PIK - non-affiliated/non-control investments	393,813	284,417	764,130	552,836
PIK - affiliate investments	27,116	14,203	54,200	28,215
Fee amortization, net	230,634	266,689	429,780	378,564
Other interest income	80,915	-	83,852	-
Total interest income	3,517,184	2,057,932	6,554,239	3,844,017
Total investment income	**3,517,184**	**2,057,932**	**6,554,239**	**3,844,017**
Expenses:				
Interest expense - revolving line of credit (related party)	-	169,591	-	627,568
Interest expense - revolving line of credit	30,428	-	30,428	-
Interest expense - unused line of credit (related party)	-	42,595	-	51,472
Interest expenses - unused line of credit	99,707	-	202,832	-
Interest expense - deferred financing costs (related party)	-	15,253	-	24,904
Interest expense - deferred financing costs	64,708	-	125,937	-
Total interest expense	194,843	227,439	359,197	703,944
General and administrative	334,966	245,702	652,531	342,925
Base management fees	439,344	169,721	824,201	247,072
Incentive management fees	598,357	66,381	954,672	386,444
Administrative services expense	136,326	85,833	205,077	135,834
Total expenses	**1,703,836**	**795,076**	**2,995,678**	**1,816,219**
Less waivers:				
Incentive fees waived	-	-	(320,827)	
Total net expenses	**1,703,836**	**795,076**	**2,674,851**	**1,816,219**
Net investment income	**1,813,348**	**1,262,856**	**3,879,388**	**2,027,798**
Net realized gains on investments	3,117	-	3,117	-
Net change in unrealized appreciation (depreciation) on investments	575,533	(56,184)	752,975	459,128
Total net unrealized and realized gains (losses) on investments	**578,650**	**(56,184)**	**756,092**	**459,128**
Net increase in net assets resulting from operations	**$ 2,391,998**	**$ 1,206,672**	**$ 4,635,480**	**$ 2,486,926**
Net investment income per share (basic and diluted)	$ 0.29	$ 0.30	$ 0.63	$ 0.75
Net increase in net assets resulting from net investment income per share (basic)	$ 0.39	$ 0.28	$ 0.75	$ 0.92
Net increase in net assets resulting from operations per share (diluted)	$ 0.39	$ 0.28	$ 0.75	$ 0.91
Weighted average shares outstanding (basic)	6,176,245	4,245,594	6,166,236	2,717,632
Weighted average shares outstanding (diluted)	6,176,245	4,247,627	6,166,236	2,719,665
Dividends declared per common share (basic & diluted)	$ 0.34	$ 1.21	$ 0.68	$ 1.90

SCHEDULE 1

Reconciliations of Net Investment Income to Core Net Investment Income

	Three Months Ended June 30, 2014		Three Months Ended June 30, 2013		Six Months Ended June 30, 2014		Six Months Ended June 30, 2013	
	Amount	Per share	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)
Net investment income	$1,813,348	$0.29	$1,262,856	$0.30	$3,879,388	$0.63	$2,027,798	$0.75
Plus: incentive fees attributed to the accrual of capital gains incentive fee	$115,730	$0.02	($11,237)	($0.01)	$151,218	$0.02	$91,826	$0.03
Core net investment income	$1,929,078	$0.31	$1,251,619	$0.29	$4,030,606	$0.65	$2,119,624	$0.78

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

The capital gains incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized capital losses for such year. The Company records an expense accrual relating to the capital gains incentive fee payable by the Company to its investment adviser when the unrealized gains on its investments exceed all realized and unrealized capital losses on its investments 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. 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 includes only realized capital gains for the period. The Company recorded net unrealized appreciation of $575,535 in the quarter ended June 30, 2014 compared to net unrealized depreciation of $56,184 in the quarter ended June 30, 2013. Net unrealized appreciation since inception is $1,471,546. For the quarter and six months ended June 30, 2014, incentive fees of $115,107 and $150,595, respectively, related to the net unrealized appreciation during the applicable periods.

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