

H A R V E S T

C A P I T A L C R E D I T

HARVEST CAPITAL CREDIT CORPORATION ANNOUNCES JUNE 30, 2015 FINANCIAL RESULTS AND DECLARES DISTRIBUTIONS FOR JULY, AUGUST AND SEPTEMBER

NEW YORK, August 10, 2015— 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 27, 2015 to shareholders of record on August 20, 2015. The August distribution is payable on September 24, 2015 to shareholders of record on September 17, 2015. The September distribution is payable on October 22, 2015 to shareholders of record on October 15, 2015. 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

	Q2-15		Q2-14		YTD-15		YTD-14	
	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share
Core net investment income (1)	\$2,056,481	\$0.33	\$1,929,078	\$0.31	\$3,925,787	\$0.63	\$4,030,605	\$0.65
Net investment income	\$2,051,491	\$0.33	\$1,813,348	\$0.29	\$4,063,359	\$0.65	\$3,879,388	\$0.63
Net change in unrealized appreciation	\$1,814,698	\$0.29	\$575,533	\$0.09	\$70,541	\$0.01	\$752,975	\$0.12
Net realized (losses) gains on investments	(\$674,880)	(\$0.11)	\$3,117	—	(\$659,061)	(\$0.10)	\$3,117	—
Net income	\$3,191,309	\$0.51	\$2,391,998	\$0.39	\$3,474,839	\$0.56	\$4,635,480	\$0.75
Weighted average shares outstanding (basic and diluted)	6,248,539		6,176,245		6,238,844		6,166,236	

- (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	
	June 30, 2015	December 31, 2014
Portfolio investments at fair value	\$129,903,947	\$115,834,428
Total assets	\$135,853,852	\$119,870,004
Net assets	\$90,513,175	\$90,872,315
Shares outstanding	6,253,210	6,222,673
Net asset value per share	\$14.47	\$14.60

	Q2-15	Q2-14	YTD-15	YTD-14
Portfolio activity during the period:				
New commitments/investments	\$4,763,043	\$19,855,133	\$19,059,748	\$31,213,963
Exits of commitments/investments	—	(8,890,341)	(\$996,153)	(\$8,890,341)
Net activity	\$4,763,043	\$10,964,792	\$18,063,595	\$22,323,622

	As of	
	June 30, 2015	December 31, 2014
Number of portfolio company investments	30	29
Number of debt investments	28	27
Weighted average yield of debt investments at fair value (1)(2)	15.2%	15.1%

- (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.
- (2) CRS Reprocessing, LLC was excluded from the calculation as of December 31, 2014 because it was on non-accrual status at December 31, 2014. Solex Fine Foods, LLC was excluded from the calculation for both periods presented because it was on non-accrual status at June 30, 2015 and December 31, 2014. 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.

SECOND QUARTER OF 2015 AND YEAR-TO-DATE OPERATING RESULTS

For the quarter ended June 30, 2015, the Company reported a 33.4% increase in net income, a 6.6% increase in core net investment income and a 13.1% increase in net investment income, compared to the quarter ended June 30, 2014. Net income for the quarter ended June 30, 2015 was \$3.2 million, or \$0.51 per share, compared to \$2.4 million, or \$0.39 per share, for the quarter ended June 30, 2014. Core net investment income was \$2.1 million, or \$0.33 per share, for the quarter ended June 30, 2015, compared to \$1.9 million, or \$0.31 per share, for the quarter ended June 30, 2014. Net investment income was \$2.1 million, or \$0.33 per share, for the quarter ended June 30, 2015, compared to \$1.8 million, or \$0.29 per share, for the quarter ended June 30, 2014. The increase in net income was primarily attributable to a \$1.2 million increase in the change in net unrealized appreciation on investments for the quarter ended June 30, 2015, as compared to the quarter ended June 30, 2014. Core net investment income increased in the quarter ended June 30, 2015, as compared to the quarter ended June 30, 2014, primarily due to the \$0.1 million increase in net investment income excluding the capital gains incentive fees. Net investment income increased in the quarter ended June 30, 2015, as

compared to the quarter ended June 30, 2014, due primarily to a \$1.2 million increase in total investment income, partially offset by a \$0.9 million increase in total expenses.

For the six months ended June 30, 2015, the Company reported a 25% decrease in net income, a 2.6% decrease in core net investment income and a 4.7% increase in net investment income, compared to the six months ended June 30, 2014. Net income for the six months ended June 30, 2015 was \$3.5 million, or \$0.56 per share, compared to \$4.6 million, or \$0.75 per share, for the six months ended June 30, 2014. Core net investment income was \$3.9 million, or \$0.63 per share, for the six months ended June 30, 2015, compared to \$4.0 million, or \$0.65 per share, for the six months ended June 30, 2014. Net investment income was \$4.1 million, or \$0.65 per share, for the six months ended June 30, 2015, compared to \$3.9 million, or \$0.63 per share, for the six months ended June 30, 2014. The decrease in net income was primarily attributable to \$0.7 million in realized losses on investments and a \$0.7 million decrease in the change in unrealized appreciation on investments for the six months ended June 30, 2015, as compared to the six months ended June 30, 2014. Core net investment income decreased in the six months ended June 30, 2015 primarily due to higher interest costs associated with the Company's unsecured note offering in the first quarter of 2015. Net investment income increased in the six months ended June 30, 2015, as compared to the six months ended June 30, 2014, as higher interests costs were offset by lower incentive fees on capital gains.

As of June 30, 2015, our total portfolio investments at fair value and total assets were \$129.9 million and \$135.9 million, respectively, compared to \$115.8 million and \$119.9 million at December 31, 2014. Net asset value per share was \$14.47 at June 30, 2015, compared to \$14.60 at December 31, 2014.

On May 27, 2015, the Company's investment in CRS Reprocessing, LLC ("CRS") was restructured in a manner that strengthened the credit profile of the borrower. The restructured investment carries a fixed interest rate of 5% and has a principal amount of \$7.0 million, which includes certain previously unpaid interest. The maturity date of the restructured investment remains unchanged at September 30, 2016. CRS was taken off non-accrual during the three months ended June 30, 2015 and interest income on the restructured loan is currently being accrued.

The CRS restructuring qualified for extinguishment accounting treatment. As such, we treated the restructured loan as a new investment and the fair value of it as consideration for the original investment. As a result, we realized a loss of \$0.7 million during the three months ended June 30, 2015. However, we also reversed \$1.5 million and \$0.7 million during the three and six months ended June 30, 2015, respectively, of previously recorded unrealized depreciation on the original CRS investment. The restructured investment is performing and has a new cost basis of \$5.5 million as of June 30, 2015, as a result of the Company's recapitalization.

During the second quarter of 2015, the Company made four investments, totaling \$4.8 million. One of the investments was in a new portfolio company and three were additional investments in existing portfolio companies. The investment activity for the quarter ended June 30, 2015 was as follows:

On April 23, 2015, the Company made an additional \$1.2 million senior secured term loan investment in WBL SPE I, LLC. This brings the Company's total investment in WBL SPE I, LLC to \$5.4 million. The investment carried a fixed interest rate of 15.00% at June 30, 2015.

On May 12, 2015, the Company made a \$2.0 million investment in Mercury Network, LLC. The investment is comprised of a \$1.9 million senior secured term loan and \$0.1 million in Class A equity units of the borrower. The senior secured term loan carries an interest rate of LIBOR +9.25% with a 1.00% LIBOR floor.

On June 19, 2015, the Company made an additional \$0.6 million senior secured term loan investment in WBL SPE I, LLC. This brings the Company's total investment in WBL SPE I, LLC to \$6.0 million. The investment carried a fixed interest rate of 15.00% at June 30, 2015.

On June 29, 2015, the Company made an additional \$1.0 million junior secured term loan investment in Flavors Holdings, Inc. This brings the Company's total investment in Flavors Holdings, Inc. to \$4.0 million. The investment carries an interest rate of LIBOR +10.00% with a 1.00% LIBOR floor.

“While we narrowly missed earning our dividend this quarter with \$0.33 per share of core net investment income compared to our distribution of \$0.34 per share, we made progress toward achieving this objective from the prior quarter in which we earned \$0.30 per share of core net investment income,” stated Richard P. Buckanavage, President and CEO. “Net positive portfolio growth, stable portfolio yields and the return of one of our two non-accrual loans to accrual status enabled us to offset the impact of higher debt costs associated with our bond offering completed in January,” observed Mr. Buckanavage. “We continue to witness solid portfolio performance, and with a more robust pipeline than most of the first half of the year, we are upbeat about our prospects for the second half of 2015,” 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 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, 2015, the weighted average risk rating of the debt investments in our portfolio increased to 1.96 from 1.87 in the previous quarter. Also, as of June 30, 2015, eight of the Company's twenty-eight debt investments were rated 1, fourteen investments were rated 2, four investments were rated 3, one investment was rated 4, and one investment was rated 5. Solex Fine Foods, LLC was the only loan on non-accrual status at June 30, 2015.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2015, we had \$2.6 million of unrestricted cash and \$14.8 million drawn on our \$55.0 million senior secured revolving credit facility. The credit facility is secured by all of the Company's assets and has a revolving period that expires on October 29, 2015, which is followed by a three year amortization period.

Advances under the facility bear interest at a rate of LIBOR plus 4.50% (with a 0.50% LIBOR floor). The credit facility also has an accordion feature that allows the size of the facility to increase up to \$85.0 million.

An additional source of liquidity are the level 2 loans held by the Company. We had four level 2 investments totaling \$10.1 million as of June 30, 2015. Since an actionable trading environment exists for these loans, they could be quickly sold and the proceeds re-invested in our core lower-middle market strategy.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO JUNE 30, 2015

On July 1, 2015, the Company made a \$4.0 million junior secured term loan investment in Language Line, LLC. The investment carries an interest rate of LIBOR +9.75% with a 1.00% LIBOR floor.

On July 2, 2015, the Company received a full repayment at par on its \$3.6 million debt investment in LNB Construction, Inc. The Company also received \$50 thousand in cash and a non-interest bearing note for another \$50 thousand for its warrant holdings. The Company generated a gross internal rate of return ("IRR") of 28% 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 invested or received.

On August 5, 2015, the Company made a \$7.5 million junior secured term loan investment in Bradford Soap International, Inc. The investment carries an interest rate of LIBOR +9.25%.

CONFERENCE CALL

The Company will host a conference call on Monday, August 10, 2015 at 11:00 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 (domestic) or (973) 200-3100 (international). Participants should enter the Conference ID 83537623 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

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, 2015	December 31, 2014
ASSETS:		
Non-affiliated/non-control investments, at fair value (cost of \$125,019,473 at 6/30/15 and \$111,101,709 at 12/31/14)	\$126,956,777	\$112,508,798
Affiliated investments, at fair value (cost of \$4,101,122 at 6/30/15 and \$4,019,908 at 12/31/14)	2,947,170	3,325,630
Total investments, at fair value (cost of \$129,120,595 at 6/30/15 and \$115,121,617 at 12/31/14)	129,903,947	115,834,428
Cash	2,591,857	2,171,771
Interest receivable	919,642	550,849
Accounts receivable - other	139,577	75,046
Deferred offering costs	1,083,952	119,640
Deferred financing costs	880,749	1,012,862
Other assets	334,128	105,408
Total assets	<u>\$135,853,852</u>	<u>\$119,870,004</u>
LIABILITIES:		
Revolving line of credit	\$14,797,637	\$26,075,140
Unsecured notes	27,500,000	—
Accrued interest payable	468,206	77,363
Accounts payable and accrued expenses	1,589,982	1,806,545
Other liabilities	967,500	998,708
Total liabilities	<u>17,352</u>	<u>39,933</u>
Total liabilities	<u>45,340,677</u>	<u>28,997,689</u>
Commitments and contingencies	—	—
NET ASSETS:		
Common stock, \$0.001 par value, 100,000,000 shares authorized, 6,253,210 issued and outstanding at 6/30/15 and 6,222,673 issued and outstanding at 12/31/14	6,253	6,223
Capital in excess of common stock	89,801,273	89,424,499
Accumulated realized gains on investments	6,752	665,813
Net unrealized appreciation on investments	783,352	712,811
Undistributed (distributions in excess of) net investment income	(84,455)	62,969
Total net assets	<u>90,513,175</u>	<u>90,872,315</u>
Total liabilities and net assets	<u>\$135,853,852</u>	<u>\$119,870,004</u>
Common stock issued and outstanding	6,253,210	6,222,673
Net asset value per common share	\$14.47	\$14.60

Harvest Capital Credit Corporation
Statements of Operations (unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Investment Income:				
Interest:				
Cash - non-affiliated/non-control investments	\$3,828,387	\$2,729,784	\$7,168,423	\$5,111,289
Cash - affiliated investments	91,000	54,922	181,000	110,988
PIK - non-affiliated/non-control investments	314,992	393,813	621,118	764,130
PIK - affiliated investments	—	27,116	—	54,200
Amortization of fees, discounts and premiums, net	425,515	230,634	787,059	429,780
Total interest income	4,659,894	3,436,269	8,757,600	6,470,387
Other income	9,118	80,915	23,701	83,852
Total investment income	4,669,012	3,517,184	8,781,301	6,554,239
Expenses:				
Interest expense - revolving line of credit	176,968	30,428	300,573	30,428
Interest expense - unused line of credit	77,726	99,707	162,311	202,832
Interest expense - deferred financing costs	66,057	64,708	132,114	125,937
Interest expense - unsecured notes	481,251	—	823,474	—
Interest expense - deferred offering costs	45,007	—	74,520	—
Total interest expense	847,009	194,843	1,492,992	359,197
Professional Fees	205,949	174,619	387,531	338,370
General and administrative	227,645	160,347	416,404	314,161
Base management fees	654,905	439,344	1,264,237	824,201
Incentive management fees	543,946	598,357	868,711	954,672
Administrative services expense	173,931	136,326	323,931	205,077
Total expenses	2,653,385	1,703,836	4,753,806	2,995,678
Less waivers:				
Incentive fees waived	—	—	—	(320,827)
Total net expenses	2,653,385	1,703,836	4,753,806	2,674,851
Net investment income, before tax	2,015,627	1,813,348	4,027,495	3,879,388
Excise tax credit (expense)	35,864	—	35,864	—
Net investment income	2,051,491	1,813,348	4,063,359	3,879,388
Net realized (losses) gains on investments	(674,880)	3,117	(659,061)	3,117
Net change in unrealized appreciation (depreciation) on investments	1,814,698	575,533	70,541	752,975
Total unrealized and realized gains (losses) on investments	1,139,818	578,650	(588,520)	756,092
Net increase in net assets resulting from operations	\$3,191,309	\$2,391,998	\$3,474,839	\$4,635,480
Net investment income per share	\$0.33	\$0.29	\$0.65	\$0.63
Net increase in net assets resulting from operations per share	\$0.51	\$0.39	\$0.56	\$0.75
Weighted average shares outstanding (basic & diluted)	6,248,539	6,176,245	6,238,844	6,166,236
Dividends declared 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,			
	2015		2014		2015		2014	
	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)
Net investment income	\$2,051,491	\$0.33	\$1,813,348	\$0.29	\$4,063,359	\$0.65	\$3,879,388	\$0.63
Excise (credit) expense on capital gains	(\$21,802)	—	—	—	(\$21,802)	—	—	—
Capital gains incentive fees	\$26,792	—	\$115,730	\$0.02	(\$115,770)	(\$0.02)	\$151,217	\$0.02
Core net investment income	\$2,056,481	\$0.33	\$1,929,078	\$0.31	\$3,925,787	\$0.63	\$4,030,605	\$0.65

(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. The Company recorded net change in unrealized

appreciation of \$1,814,698 in the quarter ended June 30, 2015, compared to net change in unrealized appreciation of \$575,533 in the quarter ended June 30, 2014. For the three months ended June 30, 2015 and June 30, 2014, incentive fees of \$26,792 and \$115,730, respectively, related to the net realized and unrealized capital gain or loss activity during the applicable periods. For the six months ended June 30, 2015 and June 30, 2014, incentive fees of \$(115,770) and \$151,217, respectively, related to the net realized and unrealized capital gain or loss activity during the applicable periods.

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