

## HARVEST CAPITAL CREDIT CORPORATION ANNOUNCES SEPTEMBER 30, 2018 FINANCIAL RESULTS AND DECLARES REGULAR MONTHLY DISTRIBUTIONS FOR OCTOBER, NOVEMBER AND DECEMBER

**NEW YORK, November 8, 2018** — Harvest Capital Credit Corporation (the “Company”) (NASDAQ: HCAP) announced that its Board of Directors declared distributions of \$0.095 per share for the months of October, November and December. The October distribution is payable on November 30, 2018 to shareholders of record on November 23, 2018. The November distribution is payable on December 21, 2018 to shareholders of record on December 14, 2018. The December distribution is payable on January 30, 2019 to shareholders of record on January 23, 2019.\*

\*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. Of the aggregate distributions declared and paid during the nine months ended September 30, 2018, and paid or to be paid subsequent to September 30, 2018, and through December 31, 2018, the Company estimates that, on a tax basis and subject to revision, those distributions will be derived from the following sources: (1) 80% ordinary income (\$0.91 per share) and (2) 20% return of capital (\$0.23 per share) based on distributions of \$1.14 paid through December 31, 2018. The amount and source of these distributions, however, are estimates only and are provided solely pursuant to Section 19(a) of the 1940 Act. These estimates are not being provided for tax reporting purposes and should not be relied upon for tax reporting or any other purposes. The final determination of the amount and source of 2018 distributions will be made after the end of our fiscal year, will be reported to stockholders on Form 1099-DIV, and could differ significantly from these estimates.

### FINANCIAL HIGHLIGHTS

	Q3-18		Q3-17		YTD-18		YTD-17	
	Amount	Per share	Amount	Per share	Amount	Per share	Amount	Per share
<b>Net investment income</b>	\$1,586,663	\$0.25	\$1,559,983	\$0.24	\$4,407,258	\$0.69	\$6,312,346	\$0.99
<b>Core net investment income (1)</b>	\$1,586,663	\$0.25	\$2,296,786	\$0.36	\$4,407,258	\$0.69	\$7,049,149	\$1.10
Net realized gains (losses) on investments	\$120,175	\$0.02	(\$8,333,556)	(\$1.29)	(\$609,120)	(\$0.10)	(\$8,062,441)	(\$1.26)
Net change in unrealized appreciation (depreciation) on investments	\$(1,581,906)	\$(0.25)	\$6,440,422	\$1.00	(\$263,977)	(\$0.04)	\$1,890,658	\$0.29
(Provision) Benefit for taxes on unrealized gains on investments	\$507,894	\$0.08	-	-	(\$15,584)	\$0.00	-	-
<b>Net (loss) income</b>	\$632,826	\$0.10	(\$333,151)	(\$0.05)	\$3,518,577	\$0.55	\$140,563	\$0.02
Weighted average shares outstanding (basic and diluted)	6,398,077		6,415,099		6,408,547		6,391,134	

- (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

	September 30, 2018	December 31, 2017
Portfolio investments at fair value	\$ 111,879,116	\$ 115,600,678
Total assets	\$ 134,987,529	\$ 128,152,840
Net assets	\$ 78,970,785	\$ 81,781,429
Shares outstanding	6,403,060	6,457,588
Net asset value per share	\$ 12.33	\$ 12.66

	Q3-18	Q3-17	YTD - 18	YTD - 17
Portfolio activity during the period:				
New debt investments	\$ 5,950,000	\$ 10,200,000	\$ 18,612,500	\$ 40,727,222
New equity investments	447,132	950,000	881,899	3,593,640
Exits of debt investments	(12,250,109) *	(38,722,627)	(19,147,825)	(49,429,272)
Exits of equity investments	(950,000)	(96,218)	(1,357,133)	(180,597)
Principal repayments	(1,035,202)	(2,254,812)	(4,241,557)	(16,354,522)
Net activity	\$ (7,838,179)	\$ (29,923,657)	\$ (5,252,116)	\$ (21,643,529)

\*Includes exit of Revenue Linked Security

	September 30, 2018	December 31, 2017
Number of portfolio company investments	26	31
Number of debt investments	19	28

Weighted average yield of debt investments (1):		
Cash	11.5%	11.3%
PIK	1.4%	1.4%
Fee amortization	1.3%	2.6%
Total	14.2%	15.3%

- (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. Infinite Care, LLC was excluded from the calculation as of September 30, 2018 and December 31, 2017 because it was on non-accrual status on that date. The weighted average effective yield of our debt and other income-producing investments, as of September 30, 2018 and December 31, 2017, was approximately 14.2% and 15.3%, respectively. The weighted average effective yield on the entire portfolio as of September 30, 2018 and December 31, 2017 was 12.6% and 13.7%, respectively.

## **THIRD QUARTER AND YEAR TO DATE 2018 OPERATING RESULTS**

For the three months ended September 30, 2018, the Company recorded net income of \$0.6 million, an increase of \$1.0 million from \$(0.3) million of net loss in the quarter ended September 30, 2017. The \$1.0 million improvement was primarily attributable to an \$8.5 million positive change in net realized gains offset by a \$7.5 million decrease in unrealized depreciation (which is net of \$0.5 million of deferred tax benefit). Per share earnings (loss) were \$0.10 and \$(0.05) per share for the three months ended September 30, 2018 and 2017, respectively.

For the three months ended September 30, 2018, the Company's net investment income was flat compared to the quarter ended September 30, 2017. Net investment income and core net investment income were \$1.6 million, or \$0.25 per share, for the quarter ended September 30, 2018, compared to net investment income and core net investment income of \$1.6 million and \$2.3 million, or \$0.24 and \$0.36 per share, respectively, for the quarter ended September 30, 2017. Core net investment income decreased in the quarter ended September 30, 2018, as compared to the quarter ended September 30, 2017, primarily as a result of the Company incurring \$0.7 million of non-recurring expenses related to its redemption of the Company's 7.00% Notes due 2020. This amount was added back to net investment income and is not reflected in the calculation of core net investment income for the three months ended September 30, 2017.

As of September 30, 2018, our total portfolio investments at fair value and total assets were \$111.9 million and \$135.0 million, respectively, compared to \$115.6 million and \$128.2 million at December 31, 2017. Net asset value per share was \$12.33 at September 30, 2018, compared to \$12.66 at December 31, 2017.

During the third quarter of 2018, the Company made investments in three companies totaling \$6.4 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 \$13.2 million during the three months ended September 30, 2018. The investment activity for the quarter ended September 30, 2018 was as follows:

### **NEW AND INCREMENTAL INVESTMENTS**

During the third quarter of 2018, the Company increased its debt investment in National Program Management & Project Controls, LLC by \$3.5 million through an increase in its term loan facility as well as its equity investment with a \$0.4 million increase to finance an add-on acquisition. The loan carries an interest rate of LIBOR plus 10.0%. The Company leveraged the JMP Group LLC ("JMP") platform by co-investing with affiliated funds of JMP. The Company hopes to be able to leverage the JMP platform in future transactions.

On August 7, 2018, the Company made a \$2.5 million junior secured debt investment in Water-Land Manufacturing & Supply, LLC. The debt investment carries an interest rate of 3 month LIBOR plus 10.5% with a 2.25% LIBOR floor.

During the third quarter of 2018, the Company increased its equity investment in King Engineering Associates, Inc., with a \$0.1 million pro-rata increase to purchase Class A common stock to support an add-on acquisition.

## INVESTMENT SALES AND PAYOFFS

On July 31, 2018, the Company received a full repayment, at par, of its junior secured debt investment in Sitel Worldwide Corporation. The original par value of the debt investment was \$1.8 million. The Company generated an internal rate of return\* ("IRR") of 11.7% on its investment.

On August 2, 2018, the Company received a full repayment, at par, of its senior secured debt investments in IAG Engine Center, LLC and AMS Flight Leasing, LLC, as well as completed a sale of the AMS Flight Funding, LLC revenue linked security ("RLS"). The original par values of the debt investments were \$2.1 million and \$1.1 million, respectively. The Company generated an IRR\* of 15.7% on its IAG Engine Center investment, 15.0% on its AMS Flight Leasing investment, and 48.9% on its AMS Flight Funding RLS investment.

On August 16, 2018, the Company received a full repayment, at par, of its senior secured debt investment in King Engineering Associates, Inc. ("King"). The original par value of the debt investment was \$6.6 million. The Company generated an IRR\* of 16.2% on its investment. The Company retained its 3% equity interest in King.

On August 30, 2018, the Company received a full repayment, at par, of its senior secured debt investment in 24/7 Software, Inc. ("24/7"). The original par value of the debt investment was \$3.0 million. In addition, on September 30, 2018, the Company completed a sale of its entire equity investment in 24/7 and received proceeds of \$1.2 million. The Company generated a combined IRR\* of 20.0% on the exits of the entire investment.

\* 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.

"We had a good quarter with 25 cents per share of net investment income, that while flat with our second quarter, included normal levels of incentive fees," said Joseph A. Jolson, Chairman and CEO. "Although we had a modest portfolio decline in the period, we have a pipeline of opportunities that we anticipate could close by year-end. Given the near term outlook for continued high payoffs, we now think it could take a few more quarters to redeploy our existing capital to our historical leverage target of 0.8:1. As such, our Board authorized a 250,000 share repurchase program through June 2019. Asset quality was relatively stable in the quarter, with an increase in the risk rating due to payoffs of higher rated investments and not to incremental problem assets. We continue to believe that renewed growth, as well as the resolution of our two credits rated 4 and 5, will help to temper this metric in the future," concluded Mr. Jolson.

## 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 September 30, 2018, the weighted average risk rating of the debt investments in the Company's portfolio increased slightly to 2.35 from 2.24 in the previous quarter. Also, as of September 30, 2018, four of the Company's nineteen debt investments were rated 1, nine investments were rated 2, four investments were rated 3, one investment was rated 4, and one investment was rated 5. As of September 30, 2018, one investment was on non-accrual status.

## **LIQUIDITY AND CAPITAL RESOURCES**

As of September 30, 2018, the Company had \$20.6 million of cash and restricted cash and \$4.6 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 held two syndicated loans totaling \$6.6 million at fair value as of September 30, 2018. 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 SEPTEMBER 30, 2018**

The Company has evaluated events and transactions occurring subsequent to September 30, 2018 for items that should potentially be recognized or disclosed in these consolidated financial statements.

On October 5, 2018, the Company funded \$0.1 million as an over advance on its revolving credit facility and a \$0.6 million equity contribution to Infinite Care, LLC.

On October 5, 2018, the Company increased its commitment amount under an existing revolving credit facility to Coastal Screen and Rail, LLC from \$0.5 million to \$1.0 million and funded \$0.4 million of the increased capacity.

On October 15, 2018, the Company sold its common equity warrants in Douglas Machines Corp. and received proceeds totaling \$0.3 million compared to a cost basis of \$13k.

On November 1, 2018, the board of directors authorized an open market stock repurchase program. Pursuant to the program, the Company is authorized to repurchase up to 250,000 shares in the aggregate of the Company's outstanding common stock in the open market. The timing, manner, price and amount of

any share repurchases will be determined by the Company's management at its discretion, and no assurances can be given that any common stock, or any particular amount, will be purchased. Unless amended by the Company's board of directors, the repurchase program will expire on the earlier of June 30, 2019 or the repurchase of 250,000 shares of our outstanding common stock.

On November 1, 2018, the Company entered into a Seventh Amendment to Loan and Security Agreement (the "Amendment"), by and among the Company, HCAP Equity Holdings, LLC, HCAP ICC, LLC, Pacific Western Bank (successor-by-merger to CapitalSource Bank), as agent and a lender, and each of the other lenders from time to time party thereto, including City National Bank, effective as of October 30, 2018. The Amendment amends the Company's Credit Facility to, among other things, (i) extend the expiration of the revolving period from October 30, 2018 to April 30, 2020; (ii) extend the maturity date from April 30, 2020 to October 30, 2021; and (iii) provide for the fact that HCAP Advisors LLC replaced JMP Credit Advisors LLC as the Company's administrator in April 2018 and has engaged U.S. Bank National Association to provide certain loan administration services to it in connection with its provision of administration services to the Company.

On November 2, 2018, the Company declared monthly distributions of \$0.095 per share payable on each November 30, 2018, December 21, 2018, and January 30, 2019.

On November 2, 2018, the Company made a \$0.1 million equity contribution in Flight Lease VII, LLC.

## **CONFERENCE CALL**

The Company will host a conference call on Thursday, November 8, 2018 at 11:00 a.m. Eastern Time to discuss its third 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 6581408 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. For more information about Harvest Capital Credit Corporation, visit [www.harvestcapitalcredit.com](http://www.harvestcapitalcredit.com). However, the contents of such website are not and should not be deemed to be incorporated by reference herein.

## **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)

	September 30, 2018	December 31, 2017
<b>ASSETS:</b>		
Non-affiliated/non-control investments, at fair value (cost of \$77,226,759 at 9/30/18 and \$80,790,705 at 12/31/17)	\$ 79,480,773	\$ 82,902,537
Affiliated investments, at fair value (cost of \$25,516,062 at 9/30/18 and \$26,365,364 at 12/31/17)	24,388,972	25,983,871
Control investments, at fair value (cost of \$12,940,286 at 9/30/18 and \$11,984,621 at 12/31/17)	8,009,371	6,714,270
Total investments, at fair value (cost of \$115,683,107 at 9/30/18 and \$119,140,690 at 12/31/17)	111,879,116	115,600,678
Cash	18,653,323	4,233,597
Restricted cash	1,960,555	7,230,840
Receivable for unsettled trade	1,225,006	—
Interest receivable	431,629	287,408
Accounts receivable – other	301,319	37,688
Deferred offering costs	—	146,446
Deferred financing costs	385,912	508,284
Other assets	150,669	107,899
<b>Total assets</b>	<b>\$ 134,987,529</b>	<b>\$ 128,152,840</b>
<b>LIABILITIES:</b>		
Revolving line of credit	\$ 25,800,000	\$ 16,721,853
Unsecured notes (net of deferred offering costs of \$869,403 at 9/30/18 and \$1,004,448 at 12/31/17)	27,880,597	27,745,552
Accrued interest payable	138,931	139,148
Accounts payable - base management fees	595,448	582,912
Accounts payable - incentive management fees	362,372	—
Accounts payable - administrative services	366,666	397,463
Accounts payable - accrued expenses	857,146	782,726
Deferred tax liability	15,584	—
Other liabilities	—	1,757
<b>Total liabilities</b>	<b>56,016,744</b>	<b>46,371,411</b>
Commitments and contingencies (Note 8)		
<b>NET ASSETS:</b>		
Common stock, \$0.001 par value, 100,000,000 shares authorized, 6,545,025 issued and 6,403,060 outstanding at 9/30/18 and 6,519,978 issued and 6,457,588 outstanding at 12/31/17	6,545	6,520
Capital in excess of common stock	93,154,814	93,043,208
Treasury shares at cost, 141,965 and 62,390 shares at 9/30/18 and 12/31/17, respectively	(1,573,457)	(724,039)
Accumulated realized losses on investments	(9,533,081)	(8,923,961)
Net unrealized depreciation on investments	(3,819,575)	(3,540,012)
Undistributed net investment income	735,539	1,919,713
Total net assets	78,970,785	81,781,429
<b>Total liabilities and net assets</b>	<b>\$ 134,987,529</b>	<b>\$ 128,152,840</b>
Common stock outstanding	6,403,060	6,457,588
Net asset value per common share	\$ 12.33	\$ 12.66

**Harvest Capital Credit Corporation**  
Consolidated Statements of Operations (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Investment Income:</b>				
Interest:				
Cash - non-affiliated/non-control investments	\$ 2,643,751	\$ 2,194,790	\$ 7,359,565	\$ 8,079,496
Cash - affiliated investments	788,995	855,761	2,306,626	2,361,993
Cash - control investments	—	53,420	130,934	219,370
PIK - non-affiliated/non-control investments	147,340	190,821	485,168	767,892
PIK - affiliated investments	193,374	306,827	543,677	661,151
Amortization of fees, discounts and premiums, net:				
Non-affiliated/non-control investments	266,246	942,285	897,959	2,028,598
Affiliated investments	41,509	49,396	75,595	181,927
Control investments	—	7,723	—	17,191
Total interest income	4,081,215	4,601,023	11,799,524	14,317,618
Other income	240,680	213,635	318,153	250,167
<b>Total investment income</b>	<b>4,321,895</b>	<b>4,814,658</b>	<b>12,117,677</b>	<b>14,567,785</b>
<b>Expenses:</b>				
Interest expense – revolving line of credit	157,266	73,959	446,440	602,796
Interest expense - unused line of credit	83,325	92,976	247,461	189,710
Interest expense - deferred financing costs	58,804	52,872	171,515	180,592
Interest expense - unsecured notes	440,235	619,458	1,320,705	1,581,960
Interest expense - deferred offering costs	46,702	49,676	137,544	154,121
Loss on extinguishment of debt	—	581,734	—	581,734
Total interest expense	786,332	1,470,675	2,323,665	3,290,913
Professional fees	364,733	289,556	1,606,403	842,343
General and administrative	240,664	311,254	814,011	851,798
Base management fees	595,448	638,264	1,781,328	2,014,208
Incentive management fees	362,372	—	549,665	58,005
Administrative services expense	366,666	494,925	1,033,332	1,094,925
<b>Total expenses, before reimbursement</b>	<b>2,716,215</b>	<b>3,204,674</b>	<b>8,108,404</b>	<b>8,152,192</b>
Less: Professional fees reimbursed by HCAP Advisors, LLC	—	—	(449,835)	—
<b>Total expenses, after reimbursement</b>	<b>2,716,215</b>	<b>3,204,674</b>	<b>7,658,569</b>	<b>8,152,192</b>
<b>Net Investment Income, before taxes</b>	<b>1,605,680</b>	<b>1,609,984</b>	<b>4,459,108</b>	<b>6,415,593</b>
Excise tax	8,825	50,001	8,825	103,247
Current income tax expense	10,192	—	43,025	—
<b>Net Investment Income, after taxes</b>	<b>1,586,663</b>	<b>1,559,983</b>	<b>4,407,258</b>	<b>6,312,346</b>
Net realized gains (losses):				
Non-Affiliated / Non-Control investments	(35,429)	(6,233,135)	(35,429)	(5,962,020)
Affiliated investments	275,006	(2,100,421)	(610,636)	(2,100,421)
Control investments	(119,402)	—	36,945	—
Net realized gains (losses)	120,175	(8,333,556)	(609,120)	(8,062,441)
Net change in unrealized appreciation (depreciation) on investments:				



Non-Affiliated / Non-Control investments	19,503	5,128,481	142,184	2,302,644
Affiliated investments	(2,229,909)	1,315,891	(745,597)	(476,334)
Control investments	628,500	(3,950)	339,436	64,348
<b>Net change in unrealized appreciation (depreciation) on investments</b>	<b>(1,581,906)</b>	<b>6,440,422</b>	<b>(263,977)</b>	<b>1,890,658</b>
<b>Total net unrealized and realized losses on investments</b>	<b>(1,461,731)</b>	<b>(1,893,134)</b>	<b>(873,097)</b>	<b>(6,171,783)</b>
(Provision) Benefit for taxes on unrealized gains on investments	507,894	—	(15,584)	—
<b>Net (decrease) increase in net assets resulting from operations</b>	<b>\$ 632,826</b>	<b>\$ (333,151)</b>	<b>\$ 3,518,577</b>	<b>\$ 140,563</b>
Net investment income per share	\$0.25	\$0.24	\$0.69	\$0.99
Net (decrease) increase in net assets resulting from operations per share	\$0.10	(\$0.05)	\$0.55	\$0.02
Weighted average shares outstanding (basic and diluted)	6,398,077	6,415,099	6,408,547	6,391,134
Dividends paid per common share	\$0.29	\$0.34	\$0.87	\$1.02

## SCHEDULE 1

### Reconciliations of Net Investment Income to Core Net Investment Income

	Three months ended September 30,				Nine months ended September 30,			
	2018		2017		2018		2017	
	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)
Net investment income	\$1,586,663	\$0.25	\$1,559,983	\$0.24	\$4,407,258	\$0.69	\$6,312,346	\$0.99
Loss on extinguishment of debt	—	—	581,734	0.09	—	—	581,734	0.09
Interest expense on redeemed bonds during required 30-day notice period	—	—	155,069	0.02	—	—	155,069	0.02
Core net investment income	\$1,586,663	\$0.25	\$2,296,786	\$0.36	\$4,407,258	\$0.69	\$7,049,149	\$1.10

(1) All per share amounts are basic and diluted unless indicated otherwise. Per share totals might not foot due to rounding.

The purpose of core net investment income is to present net investment income without the effect of certain non-recurring charges, 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. During the three months ended September 30, 2017, this resulted in excluding the non-recurring charges related to the Company's redemption of its 2020 Notes. During this period, in conjunction with the redemption of its 2020 Notes, the Company expensed the unamortized deferred finance costs related to the 2020 Notes that were redeemed and recorded this as a loss on extinguishment of debt. Additionally, the Company was required to give the note holders a 30-day notice period before redeeming the 2020 Notes. As such, the Company had twice the amount of debt on its balance sheet for 30 days that it otherwise would have had and incurred additional interest expense as a result. The cost of these two items has been added to net investment income in the calculation of core net investment income.

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Source: Harvest Capital Credit Corporation