

Hercules
Technology
Growth Capital,
Inc. LT
HR BBB (G)
Stable Outlook



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Information Disclosure Form Rule 17g-7

The Rating Action Commentary (RAC) associated with this disclosure form is an integral part of the form.

1. **Symbol, Number, or Score in the Rating Scale used by HR Ratings as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:**

Entity/Instrument	Rating Action	Rating Type	Rating Code
Hercules Technology Growth Capital, Inc.	Assigned	Long Term Rating	HR BBB (G) / Stable Outlook

2. **Version of the Procedure or Methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:**

The rating assigned by HR Ratings to the entity is based in accordance with the following methodologies established by the rating agency:

- Business Development Companies Methodology, January 2026.

https://www.hrratings.com/html/Methodology/Instituciones%20Financieras/20260120/Business_Development_Companies.html



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3. Main assumptions and principles used in constructing the procedures and methodologies to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

The present methodology establishes the process by which HR Ratings evaluates credit worthiness of Business Development Companies (BCDs), which are institutions unique to the United States financial system. As such, they are subject to specific regulatory requirements established in the Investment Company Act of 1940. This methodology considers the characteristics of these institutions, both from a regulatory and operational perspective, to capture their ability to fully and timely meet with their payment obligations.

The rating process is mainly based on a quantitative analysis grounded on an understanding of the BDC's position in terms of its income generation capacity, its ability to constitute and maintain a stable portfolio, and the management of its funding sources. The composition and trends of the relevant accounts for the analysis of these concepts are used to generate a financial model whose main results are expressed using the categories of; i) Asset Quality (25%), ii) Profitability & Efficiency (15%), iii) Capitalization & Leverage (30%), iv) Liquidity & Funding (30%). The standard rating process considers two years of historical information (30% & 40% respectively) and the projection for the next two years (20% & 10% respectively) of a series of financial metrics in a Base Scenario and in a Stress Scenario. However, a modified timeframe of analysis is available for recently established institutions that cannot yet comply with this requirement or when historical information is not representative of the expected performance of the Entity. The result of this quantitative analysis can be modified by the addition or subtraction of qualitative notches following the concepts established in this methodology to establish a credit rating.

The assumptions that HR Ratings will use to construct its scenarios will depend on the characteristics observed for each BDC, as well as the overall macroeconomic environment assumed for each scenario. The projected Base Scenario considers the evolution that, in the view of HR Ratings, has a higher probability of occurrence, while the Stress Scenario seeks to emulate a scenario of adversity for the entity being rated considering the main risks to which its exposed.

HR Ratings may assign qualitative adjustments to the rating, in either direction, for factors that cannot be fully incorporated into the model, for example: (i) adjustments due to the portfolio's composition, (ii) liquidity position, (iii) regulatory & legal risks, (iv) franchise strength, (v) management & strategy, and/or (vi) unstable sources of income.

It is important to mention that the rating incorporates one negative qualitative adjustment due to the top three sectors of its investments accounting for over 50.0% of the total portfolio by industry sector.

To understand BDCs' creditworthiness, it is necessary to establish the quality of its investment portfolio and its ability to maintain consistent and resilient earnings. BDCs investment portfolios are composed of instruments that can be classified as riskier than the average portfolio position of other investment institutions. These instruments can be more volatile, generally more illiquid and typically do not have available market prices. BDCs are required to provide quarterly valuation on their investment positions for which little data may be available. Thus, the valuation processes applied by the valuation designee, a function that can be carried out internally or assigned to an external provider, plays a major role in giving timely guidance on the BDCs position.



Also, management's ability to generate a sustainable strategy which allows them to reach their investment goals and to mitigate the impact of adverse model conditions.

A BDC's ability to raise additional capital is usually tied to the proper management of their ACR, as they are not allowed to issue preferred shares or acquire additional debt if its ACR levels would breach the 150% or 200% limit they chose to be regulated under. A breach of the minimum requirement would compromise the institution's registry as a BDC. To avoid the consequences of losing its status, a BDC could be forced to sell some of its investments at a discounted price to pay a portion of their debt until the appropriate levels of ACR are attained.

The forecasts included in the base scenario consider the entity's most likely evolution based on the analysis of its historical performance, expected business and operational evolution as reported by the entity, and HR Ratings' own macroeconomic projections. The ability to constantly achieve its investment objectives and the effective management of business operations will directly impact on the expectations for the BDC's evolution both for externally and internally managed BDCs. As previously mentioned, BDC's must adhere to regulatory constraints relating to several key items such as leverage usage, sources of income, asset composition and dividend distribution. The limits applicable to each BDC and their plans to keep the appropriate levels will be integrated into the projection scenarios.

The most important consideration in terms of the forecast scenario is the composition of the investment portfolio; since it represents the basis for the BDC's earnings power, asset quality and credit risk. In terms of earnings power, the focus will be on the BDC's generation of consistent and resilient earnings. The analysis will look favorably at portfolios generating income through predictable sources such as instruments paying recurring interest income as opposed to portfolios which depend on less reliable sources of income generation such as dividends or gains from sale of investments. If the BDC's business plans involves the sale of investment instruments in the near-term, the realized gains from such sales could be integrated into the projections using the current fair value of the instruments at the time of analysis. Otherwise, the analysis will assume that no sales of instruments are realized during the time periods included in the rating forecast. In a similar fashion, income generated from dividends may be penalized in projected scenarios as it represents a less predictable source of income.

HR Ratings stress scenario considers the evolution integrated in the base scenario and incorporates the impact of key risk factors to analyze the resilience of the BDC when facing a combination of challenges to their results. The main source of risk, and therefore, the main factor considered when stressing the BDC comes from their investment portfolio.

HR Ratings analysis may implement a series of additional considerations for factors with credit quality implications that cannot be fully integrated in the financial model. This section presents the most common causes of qualitative adjustments implemented during the analysis of a BDC. Any additional adjustments, whether negative or positive, used in the credit rating of a BDC will be identified and justified in the rating report.



4. Potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- HR Ratings does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.
- Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default.
- The credit ratings do not opine on the liquidity of the issuer's securities or stock.
- The credit ratings do not consider the possible loss severity on an obligation default.
- The credit ratings are not an opinion of the market value of any issuer's securities or stock, or the possibility that this value suffers a deterioration.

5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

The Analysis Committee noted no material limitations on the reliability, accuracy and quality on the data relied on in determining the credit rating.

The Analysis Committee noted no lack of information on the scope of historical data that would have better informed any credit rating listed in this disclosure form.

6. Use of third-party due diligence services as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

HR Ratings did not use third party due diligence services for the rating.

7. Use of servicer or remittance reports to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

HR Ratings did not use Servicer or Remittance Reports for the rating.

8. Description of types of data about any obligor, issue, security or money market instrument relied upon for determining credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

Among the main information used for the rating is:

- Quarter (10-Q) and annual (10-K) public financial information obtained from regulatory financial data from 4Q20 to 4Q25 obtained from Public Information from the Business Development Company.



9. Overall assessment of quality of information available and considered in determining credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17q-7

The quality of the public information of the entity is considered to be consistent with the quality observed within the asset class.

10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17q-7

This is an unsolicited rating, so HR Ratings did not receive any payment from the Entity for its issue. Unsolicited ratings are issued in accordance with the Agency's current methodologies and follow the same policies and procedures as for the requested ratings as applicable. HR Ratings may withdraw or change this rating at any time, without liability whatsoever. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

11. Explanation or measure of potential volatility to the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule 17q-7

1. Factors that are reasonably likely to lead to a change in the credit rating:

- **Lower debt to equity.** If the BDC's debt to equity ratio decreased and consistently stayed below 92.0%, it would demonstrate better leverage levels and a lower risk. Due to this, there could be a positive minimum impact on the credit rating.
- **Increase in net realized gains to average portfolio at fair value.** If the BDC shows a ratio of net realized gains to average portfolio at fair value rising and consistently above 1.0%, it would allow the BDC to realize the gains it holds, mitigating the risk in its investment portfolio, which could have a positive minimum impact on the credit rating.
- **Increase in the unsecured debt to total debt.** If the BDC shows an improvement in the ratio to consistently above 90.0%, it would demonstrate that the BDC has more debt unsecured by collateral, allowing for a default to have less impact on the BDC's assets. Due to this, there could be a positive minimum impact on the credit rating.
- **Increase in the debt to equity.** If the BDC demonstrates growth in its debt to equity ratio so much so that the ratio is equal or higher than 130.0%, the ratio then signals that the BDC shows higher levels of leverage reflecting higher risk, which could then have a negative minimum impact on the credit rating.
- **Decrease in net realized gains to average portfolio at fair value.** If the BDC shows a ratio of net realized gains to average portfolio at fair value of -4.0% or less, it can lead to a negative minimum impact on the credit rating.



- **Decrease in unsecured debt to total debt.** If the BDC demonstrates a decrease in the unsecured debt to total debt with the ratio closing at or below 40.0%, it would mean that the BDC has more debt tied with collateral allowing for default to risk its assets on a heavier platform, which could lead to a negative minimum impact on the credit rating.
- **Increase in the diversification of the investment portfolio by industry sector.** If the BDC diversifies the portfolio so that no industry holds more than 16.5% of the investment portfolio, there would be risk mitigation, which could lead to a positive minimum impact on the credit rating.

2. The magnitude of the change that could occur under different market conditions determined by HR Ratings to be relevant to the rating:

- **Weakening in economic activity in the United States.** Economic weakness or a resurgence of recession risk and/or credit market instability often precedes to deflation, market fluctuations, and liquidity risks. This can also result in declining home prices, higher loan delinquencies, and decreased commercial activity. This weakening could result in a moderate negative impact of the credit rating.
- **Inflation risk.** A surge in inflation could lead to higher interest rates, which may decrease the value of the BDC's investment securities and increase its expenses. Investments might also be negatively impacted by inflation and rising cost of goods. This could result in a moderate negative impact of the credit rating.

NOTE: The Credit Analysis Committee must convene to review and discuss the changes that could occur under different market conditions. All the ratings issued by HR Ratings must be approved by the Credit Analysis Committee in accordance with the applicable methodology and the information available at the time. However, the magnitude of a potential change in the rating that could reasonably occur as a result of the impact of the factors listed above are characterized by the following summary chart:

Rating change impact	Number of notches
Minimum	(0-1)
Moderate	(2 - 3)
Strong	>3

12. Historical performance and expected probability of default and expected loss in event of default as required by Paragraph (a)(1)(ii)(L) of Rule 17q-7

For the historical performance of each rating listed in the disclosure form, click on the link in the ratings table presented on the first page.



Our credit ratings need to be understood as ranking of the relative creditworthiness of different entities or credits. Creditworthiness takes into consideration both the ability and willingness to meet debt obligations in the manner prescribed in the relevant documentation. Default refers to the noncompliance of previously agreed obligations.

As our ratings measure relative creditworthiness, they do not necessarily reflect any specific statistical probability of default. However, HR Ratings provides to the market participants the default rate for historical default and loss statistics for the class or subclass of the credit rating. Although the default rate is not the expected probability of default or loss given default, we consider it the ratio that could be interpreted by market participants as such. The default rate for each of the asset classes in which HR Ratings provides ratings and for each rating category is publicly available for each calendar year at:

https://www.hrratings.com/regulatory_disclosure/transition_matrix.xhtml

13. Assumptions made by HR Ratings in determining announced credit ratings and examples of how assumptions impact the rating as required by Paragraph (a)(1)(ii)(M) of Rule 17q-7

1. Assumptions made in the ratings process that, without accounting for any other factor, would have the greatest impact on the credit rating if proven false or inaccurate:

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. The assumption is that the information provided is reliable and credible, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information.

- In the base case scenario, we project that the total investment portfolio will have a CAGR₂₀₂₅₋₂₀₂₈ of 10.8%, which would result in a portfolio of US\$6,070.9m by 2028. This growth would mostly be supported by the increase in non-controlled/non-affiliated investments.
 - In the base case scenario, we expect a decrease in the asset coverage ratio cushion from 62.1% in 2025 to 57.4% in 2028.
 - In the base case scenario, we project that the efficiency ratio will close at 17.0% by the end of 2028, which is due to a larger rate in interest income as to general and administrative expenses (vs. 17.4% in 2025).
 - As the historical performance demonstrates a mix in the generation of income, we believe that the net investment income to average portfolio at cost will see a decrease from what was previously experienced, standing at 8.2% in 2026 and dropping to 8.1% by the end of both 2027 and 2028 in the base case scenario (vs. 8.3% in 2025).
 - The debt to tangible equity is expected to increase from 103.2% in 2025 to 115.3% by the end of 2026 and then decrease to 102.2% by the end of 2028 in the base case scenario.
2. Analysis, using specific examples, of how each of the assumptions identified in the preceding paragraph impacts the credit rating:



- If the total investment portfolio results greater than the US\$6,070.9m by 2028 in the weighted average for the period considered in the credit rating for the base and stress case scenarios, then the rating could be upgraded.
- If the asset coverage ratio cushion decreases below the expected 57.4% in 2028 in the weighted average for the period considered in the credit rating for the base and stress case scenarios, then the rating could be downgraded.
- If the efficiency ratio closes below the projected 17.0% by 2028 in the weighted average for the period considered in the credit rating for the base and stress case scenarios, then the rating could be upgraded.
- If the net investment income to average portfolio at cost decreases below the 8.1% projected by 2028 in the weighted average for the period considered in the credit rating for the base and stress case scenarios, then the rating could be downgraded.
- If the debt-to-equity ratio lowers to below 92.0% in the weighted average for the period considered in the credit rating for the base and stress case scenarios, then the rating could be upgraded. Meanwhile, if the debt-to-equity ratio increases to equal or higher than 130.0% in the weighted average for the period considered in the credit rating for the base and stress scenarios, then the credit rating could be downgraded.

14. Representations, warranties and enforcement mechanisms available to investors as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7

The reporting of representations, warranties, and enforcement mechanisms does not apply to any of the credit ratings listed in the disclosure form.



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Credit Rating Attestation

I, Oscar Herrera, Financial Institutions / ABS Manager have the responsibility for this rating action and, to the best of my knowledge:

- No part of the credit rating was influenced by any other business activities.
- The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated; and
- The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument

Mexico City, April 29, 2026

/s/ Oscar Herrera
Financial Institutions / ABS Manager
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This is an unsolicited rating, so HR Ratings did not receive any payment from company or person, for its issue. Unsolicited ratings are issued in accordance with the Agency's current methodologies and follow the same policies and procedures as for the requested ratings, as applicable. HR Ratings may withdraw or change this rating at any time, without liability whatsoever. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, (iii) the procedure and process of voting on our Analysis Committee, and (iv) the rating scales and their definitions.

The ratings and/or opinions of HR Ratings are opinions regarding the credit quality and/or the asset management capacity, or relative to the performance of the tasks aimed at the fulfillment of the corporate purpose, by issuing companies and other entities or sectors, and are based on exclusively in the characteristics of the entity, issue and/or operation, regardless of any business activity between HR Ratings and the entity or issuer. The ratings and/or opinions granted are issued on behalf of HR Ratings and not of its management or technical personnel and do not constitute recommendations to buy, sell or maintain any instrument, or to carry out any type of business, investment or operation, and may be subject to updates at any time, in accordance with the rating methodologies of HR Ratings.

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. HR Ratings, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information. Most issuers of debt securities rated by HR Ratings have paid a fee for the credit rating based on the amount and type of debt issued. The degree of creditworthiness of an issue or issuer, opinions regarding asset manager quality or ratings related to an entity's performance of its business purpose are subject to change, which can produce a rating upgrade or downgrade, without implying any responsibility for HR Ratings. The ratings issued by HR Ratings are assigned in an ethical manner, in accordance with healthy market practices and in compliance with applicable regulations found on the www.hrratings.com rating agency webpage. HR Ratings' Code of Conduct, rating methodologies, rating criteria and current ratings can also be found on the website.

Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default, HR Ratings defines as the inability or unwillingness to satisfy the contractually stipulated payment terms of an obligation, such that creditors and/or bondholders are forced to take action in order to recover their investment or to restructure the debt due to a situation of stress faced by the debtor. Without disregard to the aforementioned point, in order to validate our ratings, our methodologies consider stress scenarios as a complement to the analysis derived from a base case scenario. The fees HR Ratings receives from issuers generally range from US\$1,000 to \$1,000,000 (one million dollars, legal tender in the United States of America) (or the equivalent in another currency) per offering. In some cases, HR Ratings will rate all or some of a particular issuer's offerings for an annual fee. Annual fees are estimated to vary between \$5,000 and US\$2,000,000 (five thousand to two million dollars, legal tender in the United States of America) (or the equivalent in another currency).

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