

HERCULES TECHNOLOGY GROWTH CAPITAL INC  
Form 10-Q  
August 07, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended June 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 814-00702

HERCULES TECHNOLOGY GROWTH

CAPITAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland  
(State or Jurisdiction of  
Incorporation or Organization)

743113410  
(IRS Employer  
Identification No.)  
94301

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400 Hamilton Ave., Suite 310 (Zip Code)

Palo Alto, California

(Address of Principal Executive Offices)

(650) 289-3060

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

On August 4, 2014, there were 63,252,132 shares outstanding of the Registrant's common stock, \$0.001 par value.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

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## PART I: FINANCIAL INFORMATION

In this Quarterly Report, the “Company,” “Hercules,” “we,” “us” and “our” refer to Hercules Technology Growth Capital, Inc. and its wholly owned subsidiaries and its affiliated securitization trusts unless the context otherwise requires.

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS  
HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

	June 30, 2014	December 31, 2013
<b>Assets</b>		
Investments:		
Non-control/Non-affiliate investments (cost of \$980,524 and \$891,059, respectively)	\$983,952	\$899,314
Affiliate investments (cost of \$15,053 and \$15,238, respectively)	7,393	10,981
Total investments, at value (cost of \$995,577 and \$906,297, respectively)	991,345	910,295
Cash and cash equivalents	116,008	268,368
Restricted cash	3,491	6,271
Interest receivable	8,700	8,962
Other assets	29,929	27,819
Total assets	\$1,149,473	\$1,221,715
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$10,393	\$14,268
Long-term Liabilities (Convertible Senior Notes)	73,060	72,519
Asset-Backed Notes	46,547	89,557
2019 Notes	170,364	170,364
Long-term SBA Debentures	190,200	225,000
Total liabilities	\$490,564	\$571,708
Commitments and Contingencies (Note 10)		
Net assets consist of:		
Common stock, par value	64	62
Capital in excess of par value	668,673	656,594
Unrealized appreciation (depreciation) on investments	(5,224 )	3,598
Accumulated realized losses on investments	(7,897 )	(15,240 )
Undistributed net investment income	3,293	4,993
Total net assets	\$658,909	\$650,007
Total liabilities and net assets	\$1,149,473	\$1,221,715
Shares of common stock outstanding (\$0.001 par value, 100,000,000 authorized)	63,251	61,837
Net asset value per share	\$10.42	\$10.51

See notes to consolidated financial statements.

The following table presents the assets and liabilities of our consolidated securitization trust for asset-backed notes (see Note 4), which is a variable interest entity (“VIE”). The assets of our securitization VIE can only be used to settle obligations of our consolidated securitization VIE, these liabilities are only the obligations of our consolidated securitization VIE, and the creditors (or beneficial interest holders) do not have recourse to our general credit. These assets and liabilities are included in the Consolidated Statements of Assets and Liabilities above.

(Dollars in thousands)	June 30, 2014	December 31, 2013
<b>ASSETS</b>		
Restricted Cash	\$3,491	\$6,271
Total investments, at value (cost of \$102,927 and \$166,513, respectively)	100,773	165,445
Total assets	\$104,264	\$171,716
<b>LIABILITIES</b>		
Asset-Backed Notes	\$46,547	\$89,557
Total liabilities	\$46,547	\$89,557

See notes to consolidated financial statements.

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
<b>Investment income:</b>				
<b>Interest Income</b>				
Non-Control/Non-Affiliate investments	\$ 30,384	\$ 29,780	\$ 59,766	\$ 58,099
Affiliate investments	152	514	1,616	1,124
<b>Total interest income</b>	<b>30,536</b>	<b>30,294</b>	<b>61,382</b>	<b>59,223</b>
<b>Fees</b>				
Non-Control/Non-Affiliate investments	3,454	4,227	8,366	6,255
Affiliate investments	11	4	23	4
<b>Total fees</b>	<b>3,465</b>	<b>4,231</b>	<b>8,389</b>	<b>6,259</b>
<b>Total investment income</b>	<b>34,001</b>	<b>34,525</b>	<b>69,771</b>	<b>65,482</b>
<b>Operating expenses:</b>				
Interest	6,534	7,570	13,682	15,202
Loan fees	1,091	1,191	3,167	2,269
General and administrative	2,126	2,403	4,587	4,655
<b>Employee Compensation:</b>				
Compensation and benefits	3,233	4,164	7,454	7,962
Stock-based compensation	2,466	1,587	4,026	2,753
<b>Total employee compensation</b>	<b>5,699</b>	<b>5,751</b>	<b>11,480</b>	<b>10,715</b>
<b>Total operating expenses</b>	<b>15,450</b>	<b>16,915</b>	<b>32,916</b>	<b>32,841</b>
<b>Net investment income</b>	<b>18,551</b>	<b>17,610</b>	<b>36,855</b>	<b>32,641</b>
<b>Net realized gain on investments</b>				
Non-Control/Non-Affiliate investments	2,470	2,192	7,343	4,184
<b>Total net realized gain on investments</b>	<b>2,470</b>	<b>2,192</b>	<b>7,343</b>	<b>4,184</b>
<b>Net increase in unrealized appreciation (depreciation) on investments</b>				
Non-Control/Non-Affiliate investments	(4,378 )	1,987	(5,418 )	2,087
Affiliate investments	(3,452 )	(910 )	(3,404 )	(1,344 )
<b>Total net unrealized appreciation (depreciation) on investments</b>	<b>(7,830 )</b>	<b>1,077</b>	<b>(8,822 )</b>	<b>743</b>
<b>Total net realized and unrealized gain (loss)</b>	<b>(5,360 )</b>	<b>3,269</b>	<b>(1,479 )</b>	<b>4,927</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$ 13,191</b>	<b>\$ 20,879</b>	<b>\$ 35,376</b>	<b>\$ 37,568</b>
<b>Net investment income before investment gains and losses per common share:</b>				
Basic	\$ 0.30	\$ 0.29	\$ 0.59	\$ 0.56
<b>Change in net assets per common share:</b>				



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Basic	\$0.21	\$0.34	\$0.57	\$0.65
Diluted	\$0.20	\$0.34	\$0.55	\$0.64
Weighted average shares outstanding				
Basic	61,089	60,339	60,980	57,029
Diluted	62,588	61,145	62,642	57,802
Dividends declared per common share:				
Basic	\$0.31	\$0.28	\$0.62	\$0.55

See notes to consolidated financial statements.

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

(dollars and shares in thousands)

	Common Stock Shares	Par Value	Capital in excess of par value	Unrealized Appreciation (Depreciation on Investments	Accumulated Realized Gains(Losses) on Investments	Undistributed net investment income/ (Distributions in excess of investment income)	Provision Income Taxes on Investment Gains	Net Assets
Balance at December 31, 2012	52,925	\$ 53	\$564,508	\$ (7,947 )	\$ (36,916 )	\$ (3,388 )	\$ (342 )	\$515,968
Net increase in net assets resulting from operations	—	—	—	743	4,184	32,641	—	37,568
Issuance of common stock	612	1	7,250	—	—	—	—	7,251
Issuance of common stock under restricted stock plan	501	1	(1 )	—	—	—	—	—
Issuance of common stock as stock dividend	93	—	1,189	—	—	—	—	1,189
Retired shares from net issuance	(544 )	(1 )	(8,390 )	—	—	—	—	(8,391 )
Public offering	8,050	8	95,469	—	—	—	—	95,477
Dividends declared	—	—	—	—	—	(30,014 )	—	(30,014 )
Stock-based compensation	—	—	2,792	—	—	—	—	2,792
Balance at June 30, 2013	61,637	\$ 62	\$662,818	\$ (7,204 )	\$ (32,732 )	\$ (762 )	\$ (342 )	\$621,840
Balance at December 31, 2013	61,837	\$ 62	\$656,594	\$ 3,598	\$ (15,240 )	\$ 5,335	\$ (342 )	\$650,007
Net increase in net assets resulting from operations	—	—	—	(8,822 )	7,343	36,855	—	35,376
Issuance of common stock	104	—	1,342	—	—	—	—	1,342
Issuance of common stock under restricted stock plan	697	1	(1 )	—	—	—	—	—
Issuance of common stock as stock dividend	45	—	664	—	—	—	—	664
Retired shares from net issuance	(82 )	—	(3,444 )	—	—	—	—	(3,444 )
Public offering	650	1	9,457	—	—	—	—	9,458

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Dividends declared	—	—	—	—	—	(38,555 )	—	(38,555 )
Stock-based compensation	—	—	4,061	—	—	—	—	4,061
Balance at June 30, 2014	63,251	\$ 64	\$668,673	\$ (5,224 )	\$ (7,897 )	\$ 3,635	\$ (342 )	\$658,909

See notes to consolidated financial statements.

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(dollars in thousands)

	Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$35,376	\$37,568
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(286,837)	(341,678)
Principal payments received on investments	200,704	203,357
Proceeds from sale of investments	10,271	11,401
Net unrealized depreciation (appreciation) on investments	8,822	(743)
Net realized gain on investments	(7,343)	(4,184)
Accretion of paid-in-kind principal	(1,337)	(1,420)
Accretion of loan discounts	(5,170)	(2,702)
Accretion of loan discount on Convertible Senior Notes	541	541
Accretion of loan exit fees	373	(4,465)
Change in deferred loan origination revenue	(349)	2,929
Unearned fees related to unfunded commitments	(5,786)	1,459
Amortization of debt fees and issuance costs	2,889	1,988
Depreciation	106	88
Stock-based compensation and amortization of restricted stock grants	4,061	2,792
Change in operating assets and liabilities:		
Interest and fees receivable	262	(610)
Prepaid expenses and other assets	576	153
Accounts payable	571	655
Accrued liabilities	(4,849)	(721)
Net cash provided by (used in) operating activities	(47,119)	(93,593)
Cash flows from investing activities:		
Purchases of capital equipment	(57)	(157)
Reduction of (investment in) restricted cash	2,780	(1,658)
Other long-term assets	—	(30)
Net cash provided by (used in) investing activities	2,723	(1,845)
Cash flows from financing activities:		
Proceeds from issuance (repurchase of employee shares due to restricted stock vesting) of	7,771	94,250

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common stock, net		
Dividends paid	(37,891 )	(28,825 )
Repayments of Asset-Backed Notes	(43,010 )	(19,036 )
Repayments of Long-Term SBA Debentures	(34,800 )	—
Fees paid for credit facilities and debentures	(34 )	—
Net cash provided by (used in) financing activities	(107,964)	46,389
Net decrease in cash and cash equivalents	(152,360)	(49,049 )
Cash and cash equivalents at beginning of period	268,368	182,994
Cash and cash equivalents at end of period	\$116,008	\$133,944
Supplemental non-cash investing and financing activities:		
Dividends Reinvested	\$664	\$1,189
Paid-in-Kind Principal	\$1,337	\$1,420

See notes to consolidated financial statements.

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Debt</b>							
<b>Biotechnology Tools</b>							
<b>1-5 Years Maturity</b>							
Labcyte, Inc. <sup>(11)(13)(14)</sup>	Biotechnology Tools	Senior Secured	June 2016	Interest rate PRIME + 6.70% or Floor rate of 9.95%	\$ 3,502	\$ 3,620	\$ 3,601
<b>Subtotal: 1-5 Years Maturity</b>						3,620	3,601
<b>Subtotal: Biotechnology Tools (0.55%)*</b>						3,620	3,601
<b>Communications &amp; Networking</b>							
<b>1-5 Years Maturity</b>							
OpenPeak, Inc. <sup>(11)(13)</sup>	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$ 10,042	10,116	10,116
SkyCross, Inc. <sup>(13)</sup>	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$ 22,000	21,369	21,369
Spring Mobile Solutions, Inc. <sup>(13)</sup>	Communications & Networking	Senior Secured	November 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$ 18,840	18,816	19,004
<b>Subtotal: 1-5 Years Maturity</b>						50,301	50,489
<b>Subtotal: Communications &amp; Networking (7.67%)*</b>						50,301	50,489

## Consumer &amp; Business Products

## 1-5 Years Maturity

Fluc, Inc. <sup>(9)</sup>	Consumer & Business Products	Convertible Senior Debt	March 2017	Interest rate FIXED 4.00%	\$ 100	100	100
Pong Research Corporation <sup>(13)</sup>	Consumer & Business Products	Senior Secured	December 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$ 5,000	4,833	4,833
Subtotal: 1-5 Years Maturity						4,933	4,933
Subtotal: Consumer & Business Products (0.75%)*						4,933	4,933

## Drug Delivery

## Under 1 Year

## Maturity

Revanche Therapeutics, Inc. <sup>(3)(13)</sup>	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	\$ 604	639	639	
	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	\$ 6,043	6,360	6,360	
Total Revanche Therapeutics, Inc.						\$ 6,647	6,999	6,999
Subtotal: Under 1 Year Maturity						6,999	6,999	

## 1-5 Years Maturity

AcelRx Pharmaceuticals, Inc. <sup>(3)(10)(13)(14)</sup>	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%	\$ 25,000	24,461	24,231
BIND Therapeutics, Inc. <sup>(3)(13)(14)</sup>	Drug Delivery	Senior Secured	September 2016	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$ 4,102	4,113	4,155
Celator Pharmaceuticals, Inc. <sup>(3)(13)</sup>	Drug Delivery	Senior Secured	December 2017	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$ 10,000	9,806	9,806
	Drug Delivery		June 2017		\$ 10,000	9,671	9,864

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Celsion Corporation <sup>(3)(13)</sup>		Senior Secured		Interest rate PRIME + 8.00% or Floor rate of 11.25%			
Dance Biopharm, Inc. <sup>(13)(14)</sup>	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40% or Floor rate of 10.65%	\$4,000	3,905	3,873
Neos Therapeutics, Inc. <sup>(13)(14)</sup>	Drug Delivery	Senior Secured	October 2017	Interest rate FIXED 9.00%	\$10,000	9,879	9,879
Zosano Pharma, Inc. <sup>(13)</sup>	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 6.80% or Floor rate of 12.05%	\$4,000	3,821	3,821
Subtotal: 1-5 Years Maturity						65,656	65,629
Subtotal: Drug Delivery (11.04%)*						72,655	72,628

See notes to consolidated financial statements.



## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Drug Discovery &amp; Development</b>							
<b>1-5 Years Maturity</b>							
ADMA Biologics, Inc. <sup>(3)(12)</sup>	Drug Discovery & Development	Senior Secured	June 2017	Interest rate PRIME + 3.00% or Floor rate of 8.75%, PIK Interest of 1.95%	\$ 10,053	\$ 9,891	\$ 9,891
Anacor Pharmaceuticals, Inc. <sup>(14)</sup>	Drug Discovery & Development	Senior Secured	July 2017	Interest rate PRIME + 6.40% or Floor rate of 11.65%	\$ 30,000	29,263	29,835
Aveo Pharmaceuticals, Inc. <sup>(3)(10)(11)(14)</sup>	Drug Discovery & Development	Senior Secured	September 2015	Interest rate PRIME + 7.15% or Floor rate of 11.90%	\$ 14,281	14,281	14,201
Cempra, Inc. <sup>(3)(13)</sup>	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 6.30% or Floor rate of 9.55%	\$ 18,000	18,000	18,000
Cleveland BioLabs, Inc. <sup>(3)(14)</sup>	Drug Discovery & Development	Senior Secured	January 2017	Interest rate PRIME + 6.20% or Floor rate of 10.45%	\$ 2,000	2,000	2,060
Concert Pharmaceuticals, Inc. <sup>(3)(4)</sup>	Drug Discovery & Development	Senior Secured	October 2015	Interest rate PRIME + 3.25% or Floor rate of 8.50%	\$ 11,217	11,131	10,976

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CTI BioPharma Corp. <sup>(11)</sup>	Drug Discovery & Development	Senior Secured	October 2016	Interest rate PRIME + 9.00% or Floor rate 12.25%	\$ 15,000	14,954	14,954
Insmed, Incorporated <sup>(11)(13)</sup>	Drug Discovery & Development	Senior Secured	January 2016	Interest rate PRIME + 4.75% or Floor rate of 9.25%	\$ 20,000	19,766	19,659
Lithera, Inc <sup>(13)</sup>	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 5.75% or Floor rate of 9.0%	\$ 4,000	3,888	3,888
Merrimack Pharmaceuticals, Inc. <sup>(3)(13)</sup>	Drug Discovery & Development	Senior Secured	November 2016	Interest rate PRIME + 5.30% or Floor rate of 10.55%	\$ 40,000	40,480	39,640
Nanotherapeutics, Inc. <sup>(13)</sup>	Drug Discovery & Development	Senior Secured	November 2017	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$ 10,000	9,108	9,108
Neuralstem, Inc. <sup>(13)(14)</sup>	Drug Discovery & Development	Senior Secured	June 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 6,575	6,586	6,716
uniQure B.V. <sup>(3)(5)(10)(13)</sup>	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00% or Floor rate of 10.25%	\$ 20,000	19,801	19,801
Subtotal: 1-5 Years Maturity						199,149	198,729
Subtotal: Drug Discovery & Development (30.21%)*						199,149	198,729

Electronics & Computer Hardware  
1-5 Years Maturity

Plures Technologies, Inc. <sup>(8)(12)</sup>	Electronics & Computer Hardware	Senior Secured	October 2016	Interest rate LIBOR + 8.75% or Floor rate of 12.00%, PIK Interest of 4.00%	\$ 267	179	—
Subtotal: 1-5 Years Maturity						179	—
						179	—

Subtotal: Electronics & Computer  
Hardware (0.00%)\*

## Energy Technology

Under 1 Year

Maturity

American Superconductor Corporation <sup>(3)(11)(13)</sup>	Energy Technology	Senior Secured	December 2014	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$2,308	2,778	2,778
Glori Energy, Inc. <sup>(3)(11)(13)</sup>	Energy Technology	Senior Secured	June 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$3,556	3,766	3,766
Scifiniti (pka Integrated Photovoltaics, Inc.) <sup>(14)</sup>	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 7.38% or Floor rate of 10.63%	\$861	855	855
Stion Corporation <sup>(4)(6)(13)</sup>	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$3,789	3,821	2,300
Subtotal: Under 1 Year Maturity						11,220	9,699

See notes to consolidated financial statements.

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>1-5 Years Maturity</b>							
Agrivida, Inc. <sup>(14)</sup>	Energy Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$6,000	\$5,995	\$4,030
American Superconductor Corporation <sup>(3)(11)(13)</sup>	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$9,712	9,703	9,847
Amyris, Inc. <sup>(10)</sup>	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 6.25% or Floor rate of 9.5%	\$25,000	25,000	25,000
	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$5,000	5,000	5,000
Total Amyris, Inc.					\$30,000	30,000	30,000
BioAmber, Inc. <sup>(5)(10)(13)</sup>	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$25,000	26,135	26,385
Enphase Energy, Inc. <sup>(13)</sup>	Energy Technology	Senior Secured	August 2016	Interest rate	\$6,531	6,603	6,734

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				PRIME + 8.25% or Floor rate of 11.50%			
Fluidic, Inc. <sup>(13)</sup>	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$ 5,000	5,001	5,025
Fulcrum Bioenergy, Inc. <sup>(11)(13)</sup>	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 8,942	8,957	8,957
Polyera Corporation <sup>(13)(14)</sup>	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$ 4,758	4,855	4,778
TAS Energy, Inc. <sup>(13)</sup>	Energy Technology	Senior Secured	December 2015	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 10,064	10,203	10,203
TPI Composites, Inc. <sup>(13)</sup>	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$ 15,000	15,134	15,261
	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$ 5,000	4,965	4,965
Total TPI Composites, Inc.					\$ 20,000	20,099	20,226
ULTURA, Inc. <sup>(12)(13)</sup>	Energy Technology	Senior Secured	April 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$ 18,338	18,193	17,697
Subtotal: 1-5 Years Maturity						145,744	143,882
Subtotal: Energy Technology (23.19%)*						156,964	153,581

Healthcare Services, Other							
1-5 Years Maturity							
InstaMed Communications, LLC <sup>(13)(14)</sup>	Healthcare Services, Other	Senior Secured	December 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%	\$ 3,000	3,039	3,096
MDEverywhere, Inc. <sup>(13)</sup>	Healthcare Services, Other	Senior Secured	June 2017	Interest rate LIBOR + 9.50% or Floor rate of 10.75%	\$ 2,500	2,478	2,343
Subtotal: 1-5 Years Maturity						5,517	5,439
Subtotal: Healthcare Services, Other (0.83%)*						5,517	5,439
Information Services							
Under 1 Year Maturity							
Eccentex Corporation <sup>(11)(13)</sup>	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$ 436	446	118
Womensforum.com <sup>(11)(12)</sup>	Information Services	Senior Secured	April 2015	Interest rate LIBOR + 6.50% or Floor rate of 9.00%	\$ 1,250	1,237	1,237
Subtotal: Under 1 Year Maturity						1,683	1,355
1-5 Years Maturity							
InXpo, Inc. <sup>(13)(14)</sup>	Information Services	Senior Secured	July 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$ 2,057	2,035	1,955
Womensforum.com <sup>(11)(12)</sup>	Information Services	Senior Secured	October 2016	Interest rate LIBOR + 7.50% or Floor rate of 10.25%, PIK	\$ 4,654	4,594	4,594

	Information Services	Senior Secured	October 2016	Interest rate 2.00% Interest rate LIBOR + 6.50% or Floor rate of 9.25%	\$ 6,300	6,219	6,219
Total Womensforum.com					\$ 10,954	10,813	10,813
Subtotal: 1-5 Years Maturity						12,848	12,768
Subtotal: Information Services (2.15%)*						14,531	14,123
See notes to consolidated financial statements.							

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
Internet Consumer & Business Services							
Under 1 Year Maturity							
Gazelle, Inc. <sup>(12)(14)</sup>	Internet Consumer & Business Services	Senior Secured	December 2014	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$ 1,021	\$ 1,008	\$ 1,008
NetPlenish <sup>(8)(9)(14)</sup>	Internet Consumer & Business Services	Senior Secured	April 2015	Interest rate FIXED 10.00%	\$ 95	95	—
Tectura Corporation <sup>(8)(12)</sup>	Internet Consumer & Business Services	Senior Secured	N/A	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$ 143	143	51
	Internet Consumer & Business Services	Senior Secured	N/A	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$ 6,468	6,467	2,283
	Internet Consumer & Business Services	Senior Secured	N/A	Interest rate LIBOR	\$ 563	563	199



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	Services			+ 10.00% or Floor rate of 13.00%			
	Internet Consumer & Business Services	Senior Secured	N/A	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$ 5,000	5,000	1,765
	Internet Consumer & Business Services	Senior Secured	N/A	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%	\$ 10,777	10,777	3,083
Total Tectura Corporation					\$ 22,951	22,950	7,381
Subtotal: Under 1 Year Maturity						24,053	8,389
1-5 Years Maturity							
Blurb, Inc. <sup>(14)</sup>	Internet Consumer & Business Services	Senior Secured	December 2015	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$ 4,867	4,867	4,867
CashStar, Inc. <sup>(12)(14)</sup>	Internet Consumer & Business Services	Senior Secured	June 2016	Interest rate PRIME + 6.25% or Floor rate 10.50%, PIK Interest 1.00%	\$ 8,049	7,903	8,002
Education Dynamics, LLC <sup>(12)(14)</sup>	Internet Consumer & Business Services	Senior Secured	March 2016	Interest rate LIBOR + 12.5% or Floor	\$ 22,552	22,166	22,623

				rate 12.50%, PIK Interest 1.50%			
Gazelle, Inc. <sup>(12)(14)</sup>	Internet Consumer & Business Services	Senior Secured	April 2016	Interest rate PRIME + 7.00% or Floor rate of 10.25%, PIK Interest 2.50%	\$ 12,522	12,466	12,466
Just Fabulous, Inc. <sup>(13)</sup>	Internet Consumer & Business Services	Senior Secured	February 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$ 15,000	14,217	14,667
	Internet Consumer & Business Services	Senior Secured	August 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$ 15,000	14,484	14,484
Total Just Fabulous, Inc.					\$ 30,000	28,701	29,151
LightSpeed Retail, Inc. <sup>(5)(10)</sup>	Internet Consumer & Business Services	Senior Secured	May 2018	Interest rate PRIME + 3.25% or Floor rate of 6.50%	\$ 2,000	1,982	1,982
NetPlenish <sup>(8)(9)(14)</sup>	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate FIXED 10.00%	\$ 382	374	—
Reply! Inc. <sup>(11)(12)(13)</sup>	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate PRIME + 6.88% or Floor rate of 10.13%, PIK Interest	\$ 8,821	8,940	8,896

	Internet Consumer & Business Services	Senior Secured	September 2015	2.00% Interest rate PRIME + 7.25% or Floor rate of 11.00%, PIK Interest 2.00%	\$ 1,944	1,981	2,000
	Internet Consumer & Business Services	Senior Secured	February 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 2.00%	\$ 3,046	2,879	2,939
Total Reply! Inc.					\$ 13,811	13,800	13,835
Vaultlogix, LLC <sup>(12)(13)(14)</sup>	Internet Consumer & Business Services	Senior Secured	September 2016	Interest rate LIBOR + 8.50% or Floor rate of 10.00%, PIK interest 2.50%	\$ 8,050	8,025	8,010
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate LIBOR + 7.00% or Floor rate of 8.50%	\$ 6,622	6,725	6,725
Total Vaultlogix, LLC					\$ 14,672	14,750	14,735
WaveMarket, Inc. <sup>(11)(13)</sup>	Internet Consumer & Business Services	Senior Secured	March 2017	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$ 361	363	355
	Internet Consumer & Business	Senior Secured	September 2016	Interest rate PRIME	\$ 9,108	9,067	8,929

Services + 5.75%  
or Floor  
rate of  
9.50%

Total WaveMarket, Inc.	\$ 9,469	9,430	9,284
Subtotal: 1-5 Years Maturity		116,439	116,945
Subtotal: Internet Consumer & Business Services (19.05%)*		140,492	125,334

See notes to consolidated financial statements.

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Media/Content/Info</b>							
<b>Under 1 Year Maturity</b>							
Zoom Media Group, Inc. <sup>(12)</sup>	Media/Content/Info	Senior Secured	December 2014	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$4,400	\$4,335	\$4,286
<b>Subtotal: Under 1 Year Maturity</b>						<b>4,335</b>	<b>4,286</b>
<b>1-5 Years Maturity</b>							
Rhapsody International, Inc. <sup>(12)(14)</sup>	Media/Content/Info	Senior Secured	April 2018	Interest rate PRIME + 5.25% or Floor rate of 9.00%, PIK interest of 1.50%	\$20,052	19,487	19,569
Zoom Media Group, Inc. <sup>(12)</sup>	Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 7.25% or Floor rate of 10.50%. PIK Interest 3.75%	\$3,431	3,333	3,331
<b>Subtotal: 1-5 Years Maturity</b>						<b>22,820</b>	<b>22,900</b>
<b>Subtotal: Media/Content/Info (4.13%)*</b>						<b>27,155</b>	<b>27,186</b>

## Medical Devices &amp; Equipment

## 1-5 Years Maturity

Amedica Corporation <sup>(3)(13)</sup>	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$ 20,000	19,306	19,306
Baxano Surgical, Inc. <sup>(3)(13)</sup>	Medical Devices & Equipment	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 12.5%	\$ 7,500	7,341	7,276
Home Dialysis Plus, Inc. <sup>(13)</sup>	Medical Devices & Equipment	Senior Secured	April 2017	Interest rate PRIME + 6.35% or Floor rate of 9.60%	\$ 10,000	9,878	9,818
InspireMD, Inc. <sup>(3)(5)(10)(13)</sup>	Medical Devices & Equipment	Senior Secured	February 2017	Interest rate PRIME + 5.00% or Floor rate of 10.50%	\$ 10,000	9,884	10,048
Medrobotics Corporation <sup>(13)(14)</sup>	Medical Devices & Equipment	Senior Secured	March 2016	Interest rate PRIME + 7.85% or Floor rate of 11.10%	\$ 3,646	3,661	3,641
NetBio, Inc.	Medical Devices & Equipment	Senior Secured	August 2017	Interest rate PRIME + 5.00% or Floor rate of 11.00%	\$ 5,000	4,793	4,813
NinePoint Medical, Inc. <sup>(13)(14)</sup>	Medical Devices & Equipment	Senior Secured	January 2016	Interest rate PRIME + 5.85% or Floor rate of 9.10%	\$ 4,624	4,674	4,640
Oraya Therapeutics, Inc. <sup>(11)(12)</sup>	Medical Devices & Equipment	Senior Secured	September 2015	Interest rate PRIME + 5.50% or Floor rate of 10.25%,	\$ 6,143	6,095	4,442

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				PIK Interest of 1.00%			
Quanterix Corporation <sup>(13)</sup>	Medical Devices & Equipment	Senior Secured	November 2017	Interest rate PRIME + 2.75% or Floor rate of 8.00%	\$ 5,000	4,861	4,861
SonaCare Medical, LLC (pka US HIFU, LLC) <sup>(11)(13)</sup>	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 4,667	4,856	4,950
SynergEyes, Inc. <sup>(13)</sup>	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 5,000	4,932	4,932
United Orthopedic Group, Inc. <sup>(13)</sup>	Medical Devices & Equipment	Senior Secured	July 2016	Interest rate PRIME + 8.60% or Floor rate of 11.85%	\$ 25,000	24,993	25,287
ViewRay, Inc. <sup>(12)(14)</sup>	Medical Devices & Equipment	Senior Secured	June 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%, PIK Interest 1.50%	\$ 15,105	14,695	14,844
Subtotal: 1-5 Years Maturity						119,969	118,858
Subtotal: Medical Devices & Equipment (18.07%)*						119,969	118,858
Semiconductors							
Under 1 Year Maturity							
Achronix Semiconductor Corporation	Semiconductors	Senior Secured	January 2015	Interest rate PRIME + 10.60% or Floor rate of 13.85%	\$ 580	577	577
Subtotal: Under 1 Year Maturity						577	577

1-5 Years Maturity

Avnera Corporation <sup>(13)</sup>	Semiconductors	Senior Secured	April 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%	\$5,000	4,943	4,943
SiTime Corporation <sup>(14)</sup>	Semiconductors	Senior Secured	September 2016	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$3,389	3,389	3,389
Subtotal: 1-5 Years Maturity						8,332	8,332
Subtotal: Semiconductors (1.35%)*						8,909	8,909

See notes to consolidated financial statements.



## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Software</b>							
<b>Under 1 Year Maturity</b>							
Mobile Posse, Inc. <sup>(13)(14)</sup>	Software	Senior Secured	June 2015	Interest rate PRIME + 2.00% or Floor rate of 5.25%	\$ 500	\$ 485	\$ 469
StartApp, Inc. <sup>(13)</sup>	Software	Senior Secured	December 2014	Interest rate PRIME + 2.75% or Floor rate of 6.00%	\$ 200	196	196
Touchcommerce, Inc. <sup>(14)</sup>	Software	Senior Secured	December 2014	Interest rate PRIME + 2.25% or Floor rate of 6.50%	\$ 3,811	3,793	3,720
Subtotal: Under 1 Year Maturity						4,474	4,385
<b>1-5 Years Maturity</b>							
CareCloud Corporation <sup>(13)</sup>	Software	Senior Secured	July 2017	Interest rate PRIME + 5.50% or Floor rate of 8.75%	\$ 10,000	9,747	9,747
Clickfox, Inc. <sup>(13)(14)</sup>	Software	Senior Secured	September 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$ 6,000	5,952	5,952
	Software	Senior Secured	July 2015	Interest rate PRIME + 6.75% or	\$ 2,000	1,986	1,971

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				Floor rate of 10.00%			
Total Clickfox, Inc.					\$ 8,000	7,938	7,923
Hillcrest Laboratories, Inc. <sup>(14)</sup>	Software	Senior Secured	July 2015	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$ 1,871	1,857	1,853
Knowledge Adventure, Inc. <sup>(13)(14)</sup>	Software	Senior Secured	March 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$ 11,750	11,653	11,653
Mobile Posse, Inc. <sup>(13)(14)</sup>	Software	Senior Secured	December 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$ 3,590	3,528	3,564
Neos Geosolutions, Inc. <sup>(13)(14)</sup>	Software	Senior Secured	May 2016	Interest rate PRIME + 5.75% or Floor rate of 10.50%	\$ 3,072	3,155	3,107
Poplicus, Inc. <sup>(13)</sup>	Software	Senior Secured	June 2017	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$ 1,500	1,482	1,482
Sonian, Inc. <sup>(13)(14)</sup>	Software	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$ 5,500	5,393	5,422
StartApp, Inc. <sup>(13)</sup>	Software	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 3,244	3,285	3,318
Touchcommerce, Inc. <sup>(14)</sup>	Software	Senior Secured	June 2017	Interest rate PRIME + 6.00% or Floor rate of 10.25%	\$ 5,000	4,691	4,741
Subtotal: 1-5 Years Maturity						52,729	52,810
Subtotal: Software (8.69%)*						57,203	57,195
Specialty Pharmaceuticals							
1-5 Years Maturity							
				May 2018	\$ 10,000	9,480	9,480

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Alimera Sciences, Inc. <sup>(3)</sup>	Specialty Pharmaceuticals	Senior Secured		Interest rate PRIME + 7.65% or Floor rate of 10.90%			
Cranford Pharmaceuticals, LLC <sup>(12)(13)(14)</sup>	Specialty Pharmaceuticals	Senior Secured	February 2017	Interest rate LIBOR + 9.55% or Floor rate of 10.80%, PIK Interest of 1.35%	\$ 18,079	17,860	17,860
	Specialty Pharmaceuticals	Senior Secured	August 2015	Interest rate LIBOR + 8.25% or Floor rate of 9.50%	\$ 2,500	2,457	2,457
Total Cranford Pharmaceuticals, LLC					\$ 20,579	20,317	20,317
Rockwell Medical, Inc. <sup>(13)(14)</sup>	Specialty Pharmaceuticals	Senior Secured	March 2017	Interest rate PRIME + 9.25% or Floor rate of 12.50%	\$ 20,000	20,271	20,271
Subtotal: 1-5 Years Maturity						50,068	50,068
Subtotal: Specialty Pharmaceuticals (7.61%)*						50,068	50,068
Surgical Devices							
1-5 Years Maturity							
Transmedics, Inc. <sup>(11)(13)</sup>	Surgical Devices	Senior Secured	November 2015	Interest rate FIXED 12.95%	\$ 7,087	6,957	6,957
Subtotal: 1-5 Years Maturity						6,957	6,957
Subtotal: Surgical Devices (1.06%)*						6,957	6,957
Total Debt (136.35%)*						918,602	898,030

See notes to consolidated financial statements.

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Equity</b>						
<b>Biotechnology Tools</b>						
NuGEN Technologies, Inc. <sup>(14)</sup>	Biotechnology Tools	Equity	Preferred Series C	189,394	\$ 500	\$ 550
Subtotal: Biotechnology Tools (0.08%)*					500	550
<b>Communications &amp; Networking</b>						
GlowPoint, Inc. <sup>(3)</sup>	Communications & Networking	Equity	Common Stock	114,192	102	171
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	3,920
Stoke, Inc. <sup>(14)</sup>	Communications & Networking	Equity	Preferred Series E	152,905	500	122
Subtotal: Communications & Networking (0.64%)*					1,602	4,213
<b>Consumer &amp; Business Products</b>						
Caivis Acquisition Corporation <sup>(14)</sup>	Consumer & Business Products	Equity	Common Stock	295,861	819	—
IPA Holdings, LLC	Consumer & Business Products	Equity	LLC Interest	500,000	500	869
Market Force Information, Inc.	Consumer & Business Products	Equity	Preferred Series B	187,970	500	350
Subtotal: Consumer & Business Products (0.19%)*					1,819	1,219
<b>Diagnostic</b>						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	750
Subtotal: Diagnostic (0.11%)*					750	750
<b>Drug Delivery</b>						

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AcelRx Pharmaceuticals, Inc. <sup>(3)(10)(14)</sup>	Drug Delivery	Equity	Common Stock	54,240	108	577
Merrion Pharmaceuticals, PLC <sup>(3)(5)(10)</sup>	Drug Delivery	Equity	Common Stock	20,000	9	—
Neos Therapeutics, Inc. <sup>(14)</sup>	Drug Delivery	Equity	Preferred Series C	300,000	1,500	1,476
Transcept Pharmaceuticals, Inc. <sup>(3)</sup>	Drug Delivery	Equity	Common Stock	41,570	500	83
Subtotal: Drug Delivery (0.32%)*					2,117	2,136

Drug Discovery & Development

Accelaron Pharma, Inc. <sup>(3)(14)</sup>	Drug Discovery & Development	Equity	Common Stock	258,822	1,477	8,647
Aveo Pharmaceuticals, Inc. <sup>(3)(10)(14)</sup>	Drug Discovery & Development	Equity	Common Stock	167,864	842	308
Dicerna Pharmaceuticals, Inc. <sup>(3)(14)</sup>	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	3,224
Inotek Pharmaceuticals Corporation	Drug Discovery & Development	Equity	Common Stock	15,334	1,500	—
Merrimack Pharmaceuticals, Inc. <sup>(3)</sup>	Drug Discovery & Development	Equity	Common Stock	848,591	3,213	6,100
Paratek Pharmaceuticals, Inc.	Drug Discovery & Development	Equity	Common Stock	2,882	5	2
	Drug Discovery & Development	Equity	Preferred Series A	167,468	1,125	156
Total Partek Pharmaceuticals, Inc.				170,350	1,130	158
Subtotal: Drug Discovery & Development (2.80%)*					9,162	18,437

Energy Technology

Glori Energy, Inc. <sup>(3)</sup>	Energy Technology	Equity	Common Stock	18,208	165	169
SCI Energy, Inc.	Energy Technology	Equity	Preferred Series 1	385,000	761	35
Subtotal: Energy Technology (0.03%)*					926	204

Information Services

Good Technologies, Inc. (pka Visto Corporation) <sup>(14)</sup>	Information Services	Equity	Common Stock	500,000	603	485
Subtotal: Information Services (0.07%)*					603	485

Internet Consumer & Business Services

Blurb, Inc. <sup>(14)</sup>	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	325
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	8,121	93	—
Progress Financial	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	238

Subtotal: Internet Consumer & Business Services (0.09%)*	518	563
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See notes to consolidated financial statements.

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## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Media/Content/Info</b>						
Everyday Health, Inc. (pka Waterfront Media, Inc.) <sup>(3)</sup>	Media/Content/Info	Equity	Common Stock	97,060	\$1,000	\$1,794
<b>Subtotal: Media/Content/Info (0.27%)*</b>					<b>1,000</b>	<b>1,794</b>
<b>Medical Devices &amp; Equipment</b>						
Gelesis, Inc. <sup>(6)(14)</sup>	Medical Devices & Equipment	Equity	LLC Interest	2,024,092	925	351
Medrobotics Corporation <sup>(14)</sup>	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	264
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	—
Optiscan Biomedical, Corp. <sup>(6)(14)</sup>	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	387
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	131
	Medical Devices & Equipment	Equity	Preferred Series D	41,352,489	3,945	4,055
<b>Total Optiscan Biomedical, Corp</b>				<b>49,465,365</b>	<b>7,600</b>	<b>4,573</b>
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Equity	Preferred Series 1	1,086,969	500	—
<b>Subtotal: Medical Devices &amp; Equipment (0.79%)*</b>					<b>10,275</b>	<b>5,188</b>
<b>Software</b>						
Atrenta, Inc.	Software	Equity	Preferred Series C	1,196,845	986	2,057
	Software	Equity	Preferred Series D	635,513	508	1,264
<b>Total Atrenta, Inc Box, Inc.<sup>(14)</sup></b>				<b>1,832,358</b>	<b>1,494</b>	<b>3,321</b>
	Software	Equity	Preferred Series B	271,070	251	5,109

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	Software	Equity	Preferred Series C	589,844	872	11,118
	Software	Equity	Preferred Series D	158,133	500	2,980
	Software	Equity	Preferred Series D-1	186,766	1,694	3,520
	Software	Equity	Preferred Series D-2	220,751	2,001	4,161
	Software	Equity	Preferred Series E	38,183	500	720
Total Box, Inc				1,464,747	5,818	27,608
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	86
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	808
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	294
Subtotal: Software (4.88%)*					8,068	32,117
Specialty Pharmaceuticals						
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Equity	Preferred Series E	241,829	750	—
	Specialty Pharmaceuticals	Equity	Preferred Series E-1	26,955	—	—
	Specialty Pharmaceuticals	Equity	Preferred Series G	4,667,636	—	—
Total QuatRx Pharmaceuticals Company				4,936,420	750	—
Subtotal: Specialty Pharmaceuticals (0.00%)*					750	—
Surgical Devices						
Gynesonics, Inc. <sup>(14)</sup>	Surgical Devices	Equity	Preferred Series B	219,298	250	83
	Surgical Devices	Equity	Preferred Series C	656,538	282	143
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	967
Total Gynesonic, inc				2,866,993	1,244	1,193
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	311
	Surgical Devices	Equity	Preferred Series C	119,999	300	194
	Surgical Devices	Equity	Preferred Series D	260,000	650	925
Total Transmedics				468,960	2,050	1,430
Subtotal: Surgical Devices (0.40%)*					3,294	2,623
Total Equity (10.68%)*					\$41,384	\$70,279

See notes to consolidated financial statements.





## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>	
<b>Warrant</b>							
<b>Biotechnology Tools</b>							
Labcyte, Inc. <sup>(14)</sup>	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	\$ 323	\$ 24	
Subtotal: Biotechnology Tools (0.00%)*					323	24	
<b>Communications &amp; Networking</b>							
Intelepeer, Inc. <sup>(14)</sup>	Communications & Networking	Warrant	Preferred Series C	117,958	102	36	
OpenPeak, Inc.	Communications & Networking	Warrant	Common Stock	108,982	149	137	
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	39	
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	415	
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	95	
SkyCross, Inc.	Communications & Networking	Warrant	Preferred Series F	9,762,777	394	394	
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	418	384	
Stoke, Inc. <sup>(14)</sup>	Communications & Networking	Warrant	Preferred Series C	158,536	53	—	
	Communications & Networking	Warrant	Preferred Series D	118,181	65	—	
Total Stoke, Inc.					276,717	118	—
Subtotal: Communications & Networking (0.23%)*					1,389	1,500	
<b>Consumer &amp; Business Products</b>							
Intelligent Beauty, Inc. <sup>(14)</sup>	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	628	
IPA Holdings, LLC		Warrant		650,000	275	554	

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	Consumer & Business Products		Common Stock			
Market Force Information, Inc.	Consumer & Business Products	Warrant	Preferred Series A	99,286	24	8
Pong Research Corporation	Consumer & Business Products	Warrant	Preferred Series A	1,662,441	228	228
Subtotal: Consumer & Business Products (0.22%)*					757	1,418
Diagnostic						
Navidea Biopharmaceuticals, Inc. (pka Neoprobe) <sup>(3)(14)</sup>	Diagnostic	Warrant	Common Stock	333,333	244	54
Subtotal: Diagnostic (0.01%)*					244	54
Drug Delivery						
AcelRx Pharmaceuticals, Inc. <sup>(3)(10)(14)</sup>	Drug Delivery	Warrant	Common Stock	176,730	786	776
Alexza Pharmaceuticals, Inc. <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	37,639	645	—
BIND Therapeutics, Inc. <sup>(3)(14)</sup>	Drug Delivery	Warrant	Common Stock	71,359	367	186
Celator Pharmaceuticals, Inc. <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	158,006	107	149
Celsion Corporation <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	194,986	428	422
Dance Biopharm, Inc. <sup>(14)</sup>	Drug Delivery	Warrant	Preferred Series A	97,701	74	152
Intelliject, Inc.	Drug Delivery	Warrant	Preferred Series B	82,500	594	921
Neos Therapeutics, Inc. <sup>(14)</sup>	Drug Delivery	Warrant	Preferred Series C	60,000	113	106
Revance Therapeutics, Inc. <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	53,511	556	546
Transcept Pharmaceuticals, Inc. <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	61,452	87	—
Zosano Pharma, Inc.	Drug Delivery	Warrant	Common Stock	126,696	164	165
Subtotal: Drug Delivery (0.52%)*					3,921	3,423
See notes to consolidated financial statements.						

## HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Drug Discovery &amp; Development</b>						
Accelaron Pharma, Inc. <sup>(3)(14)</sup>	Drug Discovery & Development	Warrant	Common Stock	11,611	\$ 39	\$ 245
ADMA Biologics, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	66,550	218	220
Anthera Pharmaceuticals, Inc. <sup>(3)(14)</sup>	Drug Discovery & Development	Warrant	Common Stock	40,178	984	—
Cempra, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	138,797	458	519
Chroma Therapeutics, Ltd. <sup>(5)(10)</sup>	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	—
Cleveland BioLabs, Inc. <sup>(3)(14)</sup>	Drug Discovery & Development	Warrant	Common Stock	156,250	105	26
Concert Pharmaceuticals, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	70,796	367	96
Coronado Biosciences, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	73,009	142	31
Dicerna Pharmaceuticals, Inc. <sup>(3)(14)</sup>	Drug Discovery & Development	Warrant	Common Stock	200	28	—
Horizon Pharma, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	22,408	231	47
Lithera, Inc	Drug Discovery & Development	Warrant	Preferred Series C	114,285	89	89
Nanotherapeutics, Inc.	Drug Discovery & Development	Warrant	Common Stock	65,108	838	844
uniQure B.V. <sup>(3)(5)(10)</sup>	Drug Discovery & Development	Warrant	Common Stock	37,174	218	174
Subtotal: Drug Discovery & Development (0.35%)*					4,207	2,291
<b>Electronics &amp; Computer Hardware</b>						
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	13
Identiv, Inc. <sup>(3)</sup>		Warrant		99,208	247	441

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	Electronics & Computer Hardware		Common Stock			
Subtotal: Electronics & Computer Hardware (0.07%)*				259	454	
Energy Technology						
Agrivida, Inc. <sup>(14)</sup>	Energy Technology	Warrant	Preferred Series C	77,447	120	—
Alphabet Energy, Inc. <sup>(14)</sup>	Energy Technology	Warrant	Preferred Series A	86,329	81	148
American Superconductor Corporation <sup>(3)</sup>	Energy Technology	Warrant	Common Stock	512,820	391	138
Brightsource Energy, Inc. <sup>(14)</sup>	Energy Technology	Warrant	Preferred Series 1	175,000	780	321
Calera, Inc. <sup>(14)</sup>	Energy Technology	Warrant	Preferred Series C	44,529	513	—
EcoMotors, Inc. <sup>(14)</sup>	Energy Technology	Warrant	Preferred Series B	437,500	308	438
Fluidic, Inc.	Energy Technology	Warrant	Preferred Series C	59,665	102	78
Fulcrum Bioenergy, Inc.	Energy Technology	Warrant	Preferred Series C-1	280,897	275	151
GreatPoint Energy, Inc. <sup>(14)</sup>	Energy Technology	Warrant	Preferred Series D-1	393,212	548	—
Polyera Corporation <sup>(14)</sup>	Energy Technology	Warrant	Preferred Series C	161,575	69	147
Propel Fuels <sup>(14)</sup>	Energy Technology	Warrant	Preferred Series C	3,200,000	211	240
SCIEnergy, Inc.	Energy Technology	Warrant	Common Stock	530,811		