

HERCULES TECHNOLOGY GROWTH CAPITAL INC
Form 10-Q
November 05, 2015

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 September 30, 2015

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 November 2, 2015, there were 72,072,409 shares outstanding of the Registrant's common stock, \$0.001 par value.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

FORM 10-Q TABLE OF CONTENTS

<u>PART I. FINANCIAL INFORMATION</u>	3
Item 1. <u>Consolidated Financial Statements</u>	3
<u>Consolidated Statement of Assets and Liabilities as of September 30, 2015 (unaudited) and December 31, 2014</u>	3
<u>Consolidated Statement of Operations for the three and nine months ended September 30, 2015 and 2014 (unaudited)</u>	5
<u>Consolidated Statement of Changes in Net Assets for the three and nine months ended September 30, 2015 and 2014 (unaudited)</u>	6
<u>Consolidated Statement of Cash Flows for the nine months ended September 30, 2015 and 2014 (unaudited)</u>	7
<u>Consolidated Schedule of Investments as of September 30, 2015 (unaudited)</u>	8
<u>Consolidated Schedule of Investments as of December 31, 2014</u>	22
<u>Notes to Consolidated Financial Statements (unaudited)</u>	36
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	67
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	109
Item 4. <u>Controls and Procedures</u>	110
<u>PART II. OTHER INFORMATION</u>	111
<u>Legal Proceedings</u>	111

Item 1.

Item 1A. Risk Factors 111

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 113

Item 3. Defaults Upon Senior Securities 113

Item 4. Mine Safety Disclosures 113

Item 5. Other Information 113

Item 6. Exhibits and Financial Statement Schedules 113

SIGNATURES 115

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)

	September 30, 2015	December 31, 2014
Assets		
Investments:		
Non-control/Non-affiliate investments (cost of \$1,184,913 and \$1,019,799, respectively)	\$ 1,142,544	\$ 1,012,738
Affiliate investments (cost of \$15,179 and \$15,538, respectively)	9,184	7,999
Total investments, at value (cost of \$1,200,092 and \$1,035,337, respectively)	1,151,728	1,020,737
Cash and cash equivalents	147,304	227,116
Restricted cash	5,358	12,660
Interest receivable	8,528	9,453
Other assets	19,813	29,257
Total assets	\$ 1,332,731	\$ 1,299,223
Liabilities		
Accounts payable and accrued liabilities	\$ 19,613	\$ 14,101
Long-term Liabilities (Convertible Senior Notes)	17,461	17,345
2017 Asset-Backed Notes	—	16,049
2021 Asset-Backed Notes	129,300	129,300
2019 Notes	150,364	170,364
2024 Notes	103,000	103,000
Long-term SBA Debentures	190,200	190,200
Total liabilities	\$ 609,938	\$ 640,359
Net assets consist of:		
Common stock, par value	73	65
Capital in excess of par value	757,646	657,233
Unrealized depreciation on investments ⁽¹⁾	(50,118)	(17,076)
Accumulated realized gains on investments	22,503	14,079
Undistributed net investment income (Distributions in excess of net investment income)	(7,311)	4,563
Total net assets	\$ 722,793	\$ 658,864
Total liabilities and net assets	\$ 1,332,731	\$ 1,299,223

Shares of common stock outstanding (\$0.001 par value, 200,000,000 and 100,000,000 authorized, respectively)	72,109	64,715
Net asset value per share	\$10.02	\$10.18

(1) Amounts includes \$1.8 million in net unrealized depreciation on other assets and accrued liabilities, including escrow receivables, estimated taxes payable and Citigroup warrant participation agreement liabilities. See notes to consolidated financial statements.

3

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

(Dollars in thousands)	September 30, 2015	December 31, 2014
Assets		
Restricted Cash	\$ 5,358	\$ 12,660
Total investments, at value (cost of \$254,165 and \$296,314, respectively)	254,564	291,464
Total assets	\$ 259,922	\$ 304,124
Liabilities		
Asset-Backed Notes	\$ 129,300	\$ 145,349
Total liabilities	\$ 129,300	\$ 145,349

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(in thousands, except per share data)

	Three Months		Nine Months Ended	
	Ended September		September 30,	
	30,	2014	2015	2014
	2015			
Investment income:				
Interest income				
Non-Control/Non-Affiliate investments	\$40,256	\$33,210	\$105,861	\$92,975
Affiliate investments	83	130	278	1,747
Total interest income	40,339	33,340	106,139	94,722
Fees				
Non-Control/Non-Affiliate investments	6,793	3,671	11,611	12,037
Affiliate investments	—	8	1	30
Total fees	6,793	3,679	11,612	12,067
Total investment income	47,132	37,019	117,751	106,789
Operating expenses:				
Interest	7,818	6,495	23,243	20,177
Loan fees	1,072	1,364	4,166	4,531
General and administrative	4,504	2,397	12,190	6,984
Employee Compensation:				
Compensation and benefits	7,969	3,922	17,621	11,375
Stock-based compensation	2,179	2,823	7,166	6,849
Total employee compensation	10,148	6,745	24,787	18,224
Total operating expenses	23,542	17,001	64,386	49,916
Loss on debt extinguishment (Long-term Liabilities - Convertible Senior Notes)	—	(1,023)	(1)	(1,023)
Net investment income	23,590	18,995	53,364	55,850
Net realized gain on investments				
Non-Control/Non-Affiliate investments	6,366	5,664	8,424	13,007
Total net realized gain on investments	6,366	5,664	8,424	13,007
Net increase in unrealized appreciation (depreciation) on investments				
Non-Control/Non-Affiliate investments	(25,032)	(10,029)	(34,585)	(15,447)
Affiliate investments	(849)	547	1,543	(2,857)
Total net unrealized depreciation on investments	(25,881)	(9,482)	(33,042)	(18,304)
Total net realized and unrealized loss	(19,515)	(3,818)	(24,618)	(5,297)
Net increase in net assets resulting from operations	\$4,075	\$15,177	\$28,746	\$50,553
Net investment income before investment gains and losses per common share:				

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Basic	\$0.33	\$0.30	\$0.76	\$0.89
Change in net assets per common share:				
Basic	\$0.05	\$0.24	\$0.40	\$0.80
Diluted	\$0.05	\$0.23	\$0.40	\$0.78
Weighted average shares outstanding				
Basic	71,462	62,356	68,897	61,444
Diluted	71,496	63,779	69,123	63,554
Dividends declared per common share:				
Basic	\$0.31	\$0.31	\$0.93	\$0.93

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 Shares	Stock 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 for Income Taxes on Investment Gains	Net Assets
Balance at December 31, 2013	61,837	\$ 62	\$ 656,594	\$ 3,598	\$ (15,240)	\$ 5,335	\$ (342)	\$ 650,007
Net increase (decrease) in net assets								
resulting from operations	—	—	—	(18,304)	13,007	55,850	—	50,553
Public offering, net of offering expenses	1,574	2	9,180	—	—	—	—	9,182
Issuance of common stock due to								
stock option exercises	256	—	2,873	—	—	—	—	2,873
Retired shares from net issuance	(193)	—	(2,980)	—	—	—	—	(2,980)
Issuance of common stock under								
restricted stock plan	982	1	(1)	—	—	—	—	—
Retired shares for restricted stock								
vesting	(350)	—	(3,012)	—	—	—	—	(3,012)
Issuance of common stock as								
stock dividend	76	—	1,152	—	—	—	—	1,152
Dividends distributed	—	—	—	—	—	(58,482)	—	(58,482)
Stock-based compensation	—	—	6,905	—	—	—	—	6,905
	64,182	\$ 65	\$ 670,711	\$ (14,706)	\$ (2,233)	\$ 2,703	\$ (342)	\$ 656,198

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Balance at September 30, 2014								
Balance at December 31, 2014	64,715	\$ 65	\$ 657,233	\$ (17,076)	\$ 14,079	\$ 4,905	\$ (342)	\$ 658,864
Net increase (decrease) in net assets								
resulting from operations	—	—	—	(33,042)	8,424	53,364	—	28,746
Public offering, net of offering expenses	7,591	8	100,084	—	—	—	—	100,092
Acquisition of common stock under repurchase plan	(423)	—	(4,498)	—	—	—	—	(4,498)
Issuance of common stock due to								
stock option exercises	51	—	428	—	—	—	—	428
Retired shares from net issuance	(29)	—	(423)	—	—	—	—	(423)
Issuance of common stock under								
restricted stock plan	676	1	(1)	—	—	—	—	—
Retired shares for restricted stock								
vesting	(595)	(1)	(3,997)	—	—	—	—	(3,998)
Issuance of common stock as								
stock dividend	123	—	1,589	—	—	—	—	1,589
Dividends distributed	—	—	—	—	—	(65,238)	—	(65,238)
Stock-based compensation	—	—	7,231	—	—	—	—	7,231
Balance at September 30, 2015	72,109	\$ 73	\$ 757,646	\$ (50,118)	\$ 22,503	\$ (6,969)	\$ (342)	\$ 722,793

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(dollars in thousands)

	For the Nine Months Ended September 30,	
	2015	2014
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$28,746	\$50,553
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(532,048)	(415,399)
Principal and fee payments received on investments	379,247	322,820
Proceeds from the sale of investments	16,523	17,977
Net unrealized depreciation on investments	33,042	18,304
Net realized gain on investments	(8,424)	(13,007)
Accretion of paid-in-kind principal	(2,796)	(1,990)
Accretion of loan discounts	(6,369)	(7,690)
Accretion of loan discount on Convertible Senior Notes	185	738
Loss on debt extinguishment (Long-term Liabilities - Convertible Senior Notes)	1	1,023
Payment of loan discount on Convertible Senior Notes	(5)	(2,500)
Accretion of loan exit fees	(10,493)	(9,457)
Change in deferred loan origination revenue	1,275	(616)
Unearned fees related to unfunded commitments	(271)	(862)
Amortization of debt fees and issuance costs	3,498	4,131
Depreciation	152	161
Stock-based compensation and amortization of restricted stock grants	7,231	6,905
Change in operating assets and liabilities:		
Interest and fees receivable	925	(184)
Prepaid expenses and other assets	4,833	(1,942)
Accounts payable	171	1,126
Accrued liabilities	6,065	(4,203)
Net cash used in operating activities	(78,512)	(34,112)
Cash flows from investing activities:		
Purchases of capital equipment	(158)	(94)
Reduction of restricted cash	7,302	4,175
Net cash provided by investing activities	7,144	4,081
Cash flows from financing activities:		
Issuance of common stock, net	100,092	9,853
Repurchase of common stock, net	(4,498)	—
Retirement of employee shares	(3,993)	(3,119)

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Dividends paid	(63,649)	(57,330)
Issuance of 2024 Notes Payable	—	99,655
Repayments of 2019 Notes Payable	(20,000)	—
Repayments of 2017 Asset-Backed Notes	(16,049)	(61,606)
Repayments of Long-Term SBA Debentures	—	(34,800)
Borrowings on credit facilities	53,365	—
Repayments of credit facilities	(53,365)	—
Cash Paid for redemption of Convertible Senior Notes	(65)	(31,577)
Fees paid for credit facilities and debentures	(282)	(786)
Net cash used in financing activities	(8,444)	(79,710)
Net decrease in cash and cash equivalents	(79,812)	(109,741)
Cash and cash equivalents at beginning of period	227,116	268,368
Cash and cash equivalents at end of period	\$ 147,304	\$ 158,627
Supplemental non-cash investing and financing activities:		
Dividends Reinvested	\$ 1,589	\$ 1,152

See notes to consolidated financial statements.

7

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Debt Investments							
Communications & Networking							
1-5 Years Maturity							
OpenPeak, Inc. ⁽⁷⁾	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$13,468	\$10,232	\$2,463
HyCross, Inc. ⁽¹¹⁾⁽¹²⁾⁽¹³⁾	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, PIK Interest 5.00%, 6.60% Exit Fee	\$22,282	22,317	22,317
Subtotal: 1-5 Years Maturity						32,549	24,780
Subtotal: Communications & Networking (3.43%)*						32,549	24,780
Consumer & Business Products							
1-5 Years Maturity							
Antenna79 (p.k.a. Long Research Corporation) ⁽¹²⁾⁽¹³⁾⁽¹⁶⁾	Consumer & Business Products	Senior Secured	December 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%, PIK Interest 2.50%, 5.65% Exit Fee	\$4,924	4,952	4,948
Ac, Inc. ⁽⁸⁾	Consumer & Business Products	Convertible Debt	March 2017	Interest rate FIXED 4.00%	\$100	100	—
The Neat Company ⁽¹¹⁾⁽¹²⁾⁽¹³⁾	Consumer & Business Products	Senior Secured	September 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%, PIK Interest 1.00%, 3.00% Exit Fee	\$16,664	16,488	15,560
Subtotal: 1-5 Years Maturity						21,540	20,514
Under 1 Year Maturity							
		Senior Secured	June 2016	Interest rate PRIME + 7.75% or	\$821	821	821

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tenna79 (p.k.a. King Research Corporation) (13)	Consumer & Business Products			Floor rate of 11.00%			
Subtotal: Under 1 Year Maturity						821	821
Subtotal: Consumer & Business Products (2.95%)*						22,361	21,335
Drug Delivery							
5 Years Maturity							
elRx Pharmaceuticals, Inc. (9)(10)(12)(13)	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 5.85% or Floor rate of 9.10%, 4.25% Exit Fee	\$20,466	20,634	20,690
ile Therapeutics, Inc. (10)(12)	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 5.75% or Floor rate of 9.00%, 3.70% Exit Fee	\$16,500	16,118	16,059
ND Therapeutics, Inc. (12)(13)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 5.10% or Floor rate of 8.35%, 6.11% Exit Fee	\$15,000	15,004	15,010
oQuiddity Incorporated (10)(12)	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.25%, 6.00% Exit Fee	\$10,000	10,103	10,122
lator Pharmaceuticals, Inc. (10)(12)	Drug Delivery	Senior Secured	June 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 3.95% Exit Fee	\$15,000	14,965	14,975
ision Corporation (10)(12)	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00% or Floor rate of 11.25%, 3.50% Exit Fee	\$7,299	7,389	7,474
ance Biopharm, Inc. (12)(13)	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40% or Floor rate of 10.65%, 4.00% Exit Fee	\$3,017	3,064	3,071
ge Therapeutics, Inc. (10)(12)	Drug Delivery	Senior Secured	March 2018	Interest rate PRIME + 5.95% or Floor rate of 9.95%, 1.50% Exit Fee	\$6,000	5,939	5,998
alet Corporation (12)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.15% or Floor rate of 9.40%, 3.85% Exit Fee	\$15,000	14,947	15,051
os Therapeutics, Inc. (10)(12)(13)	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%, 4.25% Exit Fee	\$5,000	4,937	4,962
	Drug Delivery	Senior Secured	October 2017	Interest rate FIXED 9.00%,	\$10,000	10,000	10,060

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				2.13% Exit Fee			
	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 7.25% or			
				Floor rate of 10.50%, 4.25%			
				Exit Fee	\$ 10,000	9,979	10,024
atal Neos Therapeutics, Inc.					\$ 25,000	24,916	25,052
lmatrix , (8)(10)(12)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25% or			
				Floor rate of 9.50%, 3.50%			
				Exit Fee	\$ 7,000	6,831	6,831
Opco, Inc (p.k.a. Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.70% or				
sano arma) (10)(12)				Floor rate of 7.95%, 3.01%			
				Exit Fee	\$ 15,000	14,856	14,765
bttotal: 1-5 Years Maturity						154,766	155,100
bttotal: Drug Delivery (21.46%)*						154,766	155,100

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾
Company & Development						
Pharmaceuticals,	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 6.65% or Floor rate of 11.90%, 5.40% Exit Fee	\$10,000	\$10,005
(12)	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 2.50% Exit Fee	\$6,476	6,461
Pharma	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 4.05% or Floor rate of 7.30%, 6.70% Exit Fee	\$15,000	15,010
Pharma Corp.	Drug Discovery & Development	Senior Secured	December 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 8.50% Exit Fee	\$20,000	20,665
,	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 3.00% Exit Fee	\$15,000	14,760
Pharmaceuticals,	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 4.00% or Floor rate of 7.25%, 4.95% Exit Fee	\$12,000	12,033
Pharmaceuticals,	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 6.75% or Floor rate of 10.00%, 5.25% Exit Fee	\$4,500	4,321
Pharmaceuticals,	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 5.70% or Floor rate of 8.95%, 4.75% Exit Fee	\$15,000	14,692

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(12)	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00% or Floor rate of 8.25%, 3.50% Exit Fee	\$20,000	19,763
icals,	Drug Discovery & Development	Senior Secured	November 2018	Interest rate PRIME + 7.30% or Floor rate of 10.55%, 3.00% Exit Fee	\$40,000	40,633
nc. (p.k.a. (12)(13)	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 5.75% or Floor rate of 9.00%, 3.00% Exit Fee	\$10,000	9,911
nc. (12)(13)	Drug Discovery & Development	Senior Secured	April 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%, 6.00% Exit Fee	\$9,489	9,318
icals, Inc. cept icals,	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 5.25% or Floor rate of 8.50%, 4.50% Exit Fee	\$20,000	19,764
(12)	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00% or Floor rate of 10.25%, 2.98% Exit Fee	\$20,000	19,933
(9)(12)(13)	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 6.15% or Floor rate of 9.40%, 5.75% Exit Fee	\$20,000	19,823
5 Years Maturity						237,092
r Maturity						
aceuticals,	Drug Discovery & Development	Senior Secured	December 2015	Interest rate PRIME + 7.15% or Floor rate of 11.90%	\$1,468	1,468
	Drug Discovery & Development	Senior Secured	December 2015	Interest rate PRIME + 8.65% or Floor rate of 11.90%	\$1,626	1,626
Pharmaceuticals, Inc.					\$3,094	3,094
icals,	Drug Discovery & Development	Senior Secured	October 2015	Interest rate PRIME + 3.25% or Floor rate of 8.50%	\$775	775
(10)(12)	Drug Discovery & Development	Senior Secured	January 2016	Interest rate PRIME + 4.75% or Floor rate of 9.25% , 1.95% Exit Fee	\$25,000	25,241
der 1 Year Maturity						29,110
ug Discovery & Development (36.87%)*						266,202
& Computer Hardware						
maturity	Electronics & Computer Hardware	Senior Secured	October 2016	Interest rate LIBOR + 8.75% or	\$267	180

ologies,	Floor rate of 12.00%,	
	PIK Interest 4.00%	
5 Years Maturity		180
Electronics & Computer Hardware (0.00%)*		180

See notes to consolidated financial statements.

9

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Energy Technology							
1-5 Years Maturity							
Agrivida, Inc. ⁽¹²⁾⁽¹³⁾	Energy Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%, 5.00% Exit Fee	\$4,362	\$4,567	\$4,480
American Superconductor Corporation ⁽¹⁰⁾⁽¹²⁾	Energy Technology	Senior Secured	June 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 5.00% Exit Fee	\$1,500	1,484	1,475
	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%, 5.00% Exit Fee	\$4,667	5,067	5,002
Total American Superconductor Corporation					\$6,167	6,551	6,477
Amyris, Inc. ⁽⁹⁾⁽¹²⁾	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 6.25% or Floor rate of 9.50%, 10.00% Exit Fee	\$19,711	19,711	19,908
	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 5.25% or Floor rate of 8.50%, 10.00% Exit Fee	\$3,934	3,934	3,973
Total Amyris, Inc.					\$23,645	23,645	23,881
Modumetal, Inc. ⁽¹²⁾	Energy Technology	Senior Secured	March 2017	Interest rate PRIME + 8.70% or Floor Rate of 11.95%, 8.83% Exit Fee	\$2,105	2,319	2,309
	Energy Technology	Senior Secured	October 2017	Interest rate PRIME + 6.00% or Floor rate of 9.25%, 5.55% Exit Fee	\$8,000	7,832	7,825
Total Modumetal, Inc.					\$10,105	10,151	10,134
		Senior Secured	April 2018	Interest rate PRIME + 6.70% or	\$3,000	2,977	2,968

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Polyera Corporation ⁽¹²⁾⁽¹³⁾	Energy Technology			Floor rate of 9.95%, 3.45% Exit Fee			
Proterra, Inc. ⁽¹⁰⁾⁽¹²⁾	Energy Technology	Senior Secured	June 2018	Interest rate PRIME + 6.95% or			
				Floor rate of 10.20%, 5.95% Exit Fee	\$20,000	19,926	19,926
Sungevity Development, LLC ⁽¹²⁾	Energy Technology	Senior Secured	October 2017	Interest rate PRIME + 3.70% or			
				Floor rate 6.95%, 9.95% Exit Fee	\$35,000	34,476	35,015
Tendril Networks ⁽¹²⁾	Energy Technology	Senior Secured	June 2019	Interest rate FIXED 7.25%,			
				10.45% Exit Fee	\$10,000	9,790	9,790
Subtotal: 1-5 Years Maturity						112,083	112,671
Under 1 Year Maturity							
Fluidic, Inc. ⁽¹⁰⁾⁽¹²⁾	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.00% or			
				Floor rate of 11.25%, 3.00% Exit Fee	\$1,538	1,676	1,676
Polyera Corporation ⁽¹²⁾⁽¹³⁾	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or			
				Floor rate of 10.00%, 4.25% Exit Fee	\$1,889	2,122	2,122
Stion Corporation ⁽⁵⁾⁽¹²⁾	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.75% or			
				Floor rate of 12.00%	\$2,635	2,635	1,600
Sungevity Development, LLC	Energy Technology	Senior Secured	April 2016	Interest rate PRIME + 3.70% or			
				Floor rate 6.95%	\$20,000	20,000	20,000
Subtotal: Under 1 Year Maturity						26,433	25,398
Subtotal: Energy Technology (19.10%)*						138,516	138,069
Healthcare Services, Other							
1-5 Years Maturity							
Chromadex Corporation ⁽¹²⁾⁽¹³⁾	Healthcare Services, Other	Senior Secured	April 2018	Interest rate PRIME + 6.10% or			
				Floor rate of 9.35%, 3.75% Exit Fee	\$5,000	4,863	4,894
InstaMed Communications, LLC ⁽¹²⁾⁽¹³⁾	Healthcare Services, Other	Senior Secured	March 2018	Interest rate PRIME + 6.75% or			
				Floor rate of 10.00%, 7.62% Exit Fee	\$5,000	5,101	5,104
Subtotal: 1-5 Years Maturity						9,964	9,998
Subtotal: Healthcare Services, Other (1.38%)*						9,964	9,998

See notes to consolidated financial statements.

10

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾
any Services						
ity ⁽¹³⁾	Information Services	Senior Secured	October 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%, 3.00% Exit Fee	\$1,713	\$1,743
ears Maturity						1,743
aturity ⁽¹⁵⁾	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00% or Floor rate of 10.25%, 1.50% Exit Fee	\$13	28
1 Year Maturity						28
ation Services (0.25%)*						1,771
ner & Business Services						
ity	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%	\$2,011	1,983
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%	\$8,044	7,931
ems, Inc.					\$10,055	9,914
⁽¹³⁾	Internet Consumer & Business Services	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%,	\$13,532	13,29

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	Internet Consumer & Business Services	Senior Secured	April 2018	PIK Interest 4.25% Interest rate PRIME + 8.50% or Floor rate of 11.75%, 5.90% Exit Fee	\$25,000	24,83
(1)(12)	Internet Consumer & Business Services	Senior Secured	March 2019	PIK Interest 2.00%	\$4,859	4,859
	Internet Consumer & Business Services	Senior Secured	March 2019	Interest rate PRIME + 4.25% or Floor rate of 7.50%	\$6,158	5,790
					\$11,017	10,64
	Internet Consumer & Business Services	Senior Secured	July 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 0.75% Exit Fee	\$20,000	19,60
nc. (12)	Internet Consumer & Business Services	Senior Secured	March 2017	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 1.00% Exit Fee	\$203	206
ears Maturity						78,50
Maturity						
amics,	Internet Consumer & Business Services	Senior Secured	March 2016	Interest rate LIBOR + 12.50% or Floor rate of 12.50%, PIK Interest 1.50%	\$20,798	20,79
	Internet Consumer & Business Services	Senior Secured	April 2016	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$339	339
(13)	Internet Consumer & Business Services	Convertible Debt	April 2016	Interest rate FIXED 10.00%	\$47	47
	Internet Consumer & Business Services	Convertible Debt	September 2016	Interest rate FIXED 10.00%	\$381	373
h					\$428	420
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$5,000	5,000
(11)(14)	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%	\$8,370	8,370
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$563	563
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$6,468	6,468
orporation					\$20,401	20,40
1 Year Maturity						41,95
et Consumer & Business Services (14.20%)*						120,4

See notes to consolidated financial statements.

11

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Media/Content/Info							
5 Years Maturity							
Machine Zone, Inc. ⁽¹¹⁾	Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 3.50% or Floor rate of 6.75%, PIK Interest 3.00%	\$60,251	\$58,903	\$58,903
Subtotal: 1-5 Years Maturity						58,903	58,903
Under 1 Year Maturity							
Om Media Group, Inc. ⁽¹⁰⁾⁽¹¹⁾	Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$5,060	5,060	5,060
	Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 3.75%	\$999	996	996
Subtotal: Under 1 Year Maturity						6,056	6,056
Subtotal: Media/Content/Info (8.99%)*						64,959	64,959
Medical Devices & Equipment							
5 Years Maturity							
Medica Corporation ⁽⁸⁾⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 8.25% Exit Fee	\$18,842	19,201	19,128
Empire Bariatrics, Inc. ⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 6.00% or Floor rate of 9.25%, 4.00% Exit Fee	\$7,000	6,688	6,708
Medro, Inc. ⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	June 2018	Interest rate PRIME + 6.00% or	\$12,500	12,289	12,028

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				Floor rate of 9.25%, 3.50% Exit Fee			
owonix Medical Corporation ⁽¹²⁾	Medical Devices & Equipment	Senior Secured	May 2018	Interest rate PRIME + 5.25% or			
				Floor rate of 10.00%, 5.00% Exit Fee	\$15,000	14,966	14,950
mma Medica, Inc. ⁽¹⁰⁾⁽¹²⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50% or			
				Floor rate of 9.75%, 6.00% Exit Fee	\$4,000	3,975	3,965
pireMD, Inc. ⁽⁴⁾⁽⁹⁾⁽¹²⁾	Medical Devices & Equipment	Senior Secured	February 2017	Interest rate PRIME + 7.25% or			
				Floor rate of 10.50%, 5.00% Exit Fee	\$6,000	6,311	5,045
ontact Surgical, Inc. ⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	November 2018	Interest rate PRIME + 9.25% or			
				Floor rate of 9.25%, 3.95% Exit Fee	\$10,000	9,885	9,885
anterix Corporation ⁽¹⁰⁾⁽¹²⁾	Medical Devices & Equipment	Senior Secured	February 2018	Interest rate PRIME + 2.75% or			
				Floor rate of 8.00%, 4.00% Exit Fee	\$10,000	9,979	9,988
nergEyes, Inc. ⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75% or			
				Floor rate of 11.00%, 6.00% Exit Fee	\$4,711	4,910	4,862
Subtotal: 1-5 Years Maturity						88,204	86,550
Under 1 Year Maturity							
edrobotics Corporation ⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	March 2016	Interest rate PRIME + 7.85% or			
				Floor rate of 11.10%, 3.25% Exit Fee	\$1,124	1,274	1,274
naCare Medical, LLC (p.k.a. US FU, LLC) ⁽¹²⁾	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75% or			
				Floor rate of 11.00%, 6.80% Exit Fee	\$510	913	913
Subtotal: Under 1 Year Maturity						2,187	2,187
Subtotal: Medical Devices & Equipment (12.28%)*						90,391	88,737
Semiconductors							
5 Years Maturity							
chronix Semiconductor Corporation ⁽¹²⁾⁽¹³⁾	Semiconductors	Senior Secured	July 2018	Interest rate PRIME + 8.25% or			
				Floor rate of 11.50%, 6.50% Exit Fee	\$5,000	4,977	4,977
nera Corporation ⁽¹⁰⁾⁽¹²⁾	Semiconductors	Senior Secured	April 2018	Interest rate PRIME + 5.25% or			
				Floor rate of 8.50%, 3.50% Exit Fee	\$7,500	7,469	7,540
Subtotal: 1-5 Years Maturity						12,446	12,527

Under 1 Year Maturity

Chronix Semiconductor Corporation ⁽¹³⁾	Semiconductors	Senior Secured	July 2016	Interest rate PRIME + 4.25% or Floor rate of 7.50%	\$1,440	1,440	1,440
Total: Under 1 Year Maturity						1,440	1,440
Total: Semiconductors (1.93%)*						13,886	13,900

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Software							
1-5 Years Maturity							
Actifio, Inc. ⁽¹¹⁾	Software	Senior Secured	January 2019	Interest rate PRIME + 5.00% or Floor rate of 8.25%, PIK Interest 2.25%	\$30,092	\$29,821	\$29,821
Clickfox, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	March 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%, 3.50% Exit Fee	\$6,000	5,973	5,988
Druva, Inc. ⁽¹⁰⁾⁽¹²⁾	Software	Senior Secured	March 2018	Interest rate PRIME + 4.60% or Floor rate of 7.85%, 6.50% Exit Fee	\$9,000	9,030	9,055
JumpStart Games, Inc. (p.k.a. Knowledge Adventure, Inc.) ⁽⁷⁾⁽¹¹⁾⁽¹²⁾⁽¹³⁾	Software	Senior Secured	March 2018	Interest rate PRIME + 2.50% or Floor rate of 5.75%, PIK Interest 10.75%, 4.48% Exit Fee	\$11,254	11,346	8,402
	Software	Senior Secured	October 2016	Interest rate PRIME + 2.50% or Floor rate of 5.75%, PIK Interest 10.75%, 10.17% Exit Fee	\$1,356	1,371	1,015
Total JumpStart Games, Inc. (p.k.a. Knowledge Adventure, Inc.)					\$12,610	12,717	9,417
Message Systems, Inc. ⁽¹³⁾	Software	Senior Secured	February 2017	Interest rate PRIME + 2.75% or Floor rate of 6.00%	\$1,618	1,618	1,618
	Software	Senior Secured	February 2019	Interest rate PRIME + 7.25% or Floor rate of 10.50%	\$17,500	17,066	17,069
Total Message Systems, Inc.					\$19,118	18,684	18,687

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Mobile Posse, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	December 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%, 2.00%			
				Exit Fee	\$ 1,921	1,977	1,995
RedSeal Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	June 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 3.95%			
				Exit Fee	\$ 5,000	4,974	4,974
	Software	Senior Secured	June 2017	Interest rate PRIME + 3.25% or Floor rate of 6.50%	\$ 3,000	3,000	3,000
Total RedSeal Inc.					\$ 8,000	7,974	7,974
Soasta, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	February 2018	Interest rate PRIME + 4.75% or Floor rate of 8.00%, 0.81% Exit Fee	\$ 15,000	14,612	14,572
	Software	Senior Secured	February 2018	Interest rate PRIME + 2.25% or Floor rate of 5.50%, 0.81% Exit Fee	\$ 3,500	3,411	3,402
Total Soasta, Inc.					\$ 18,500	18,023	17,974
Touchcommerce, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	February 2018	Interest rate PRIME + 7.00% or Floor rate of 10.25%, 3.67%	\$ 12,000	11,737	11,665
Subtotal: 1-5 Years Maturity Under 1 Year Maturity						115,936	112,576
Clickfox, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	December 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$ 2,000	2,000	2,000
	Software	Senior Secured	December 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%, 6.00%	\$ 3,300	3,260	3,260
Total Clickfox, Inc.					\$ 5,300	5,260	5,260
Druva, Inc. ⁽¹⁰⁾	Software	Senior Secured	April 2016	Interest rate PRIME + 2.70% or Floor rate of 5.95%	\$ 3,000	3,000	3,000
Mobile Posse, Inc. ⁽¹³⁾	Software	Senior Secured	June 2016	Interest rate PRIME + 2.00% or Floor rate of 5.25%	\$ 1,000	1,000	1,000
Neos, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	May 2016	Interest rate PRIME + 5.75% or Floor rate of 10.50%, 4.25%	\$ 1,146	1,305	1,305
Touchcommerce, Inc. ⁽¹³⁾	Software	Senior Secured	August 2016	Interest rate PRIME + 2.25% or Floor Rate of 6.50%	\$ 5,511	5,512	5,512
Subtotal: Under 1 Year Maturity						16,077	16,077
Subtotal: Software (17.80%)*						132,013	128,653

See notes to consolidated financial statements.

13

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Specialty Pharmaceuticals							
1-5 Years Maturity							
Alimera Sciences, Inc. ⁽¹⁰⁾	Specialty Pharmaceuticals	Senior Secured	May 2018	Interest rate PRIME + 7.65% or Floor rate of 10.90%	\$35,000	\$34,411	\$34,209
Stranford Pharmaceuticals, LC ⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾⁽¹³⁾	Specialty Pharmaceuticals	Senior Secured	August 2017	Interest rate LIBOR + 9.55% or Floor rate of 10.80%, PIK Interest 1.35%, 2.40% Exit Fee	\$11,204	11,288	11,401
Guangzhou Animal Health, Inc. ⁽¹⁰⁾⁽¹²⁾	Specialty Pharmaceuticals	Senior Secured	August 2018	Interest rate PRIME + 6.65% or Floor rate of 9.90%, 7.00% Exit Fee	\$6,000	5,944	5,944
Subtotal: 1-5 Years Maturity						51,643	51,554
Under 1 Year Maturity							
Stranford Pharmaceuticals, LC ⁽¹⁰⁾⁽¹²⁾⁽¹³⁾	Specialty Pharmaceuticals	Senior Secured	August 2016	Interest rate LIBOR + 8.25% or Floor rate of 9.50%	\$1,100	1,100	1,100
Subtotal: Under 1 Year Maturity						1,100	1,100
Subtotal: Specialty Pharmaceuticals (7.28%)*						52,743	52,654
Surgical Devices							
1-5 Years Maturity							
Transmedics, Inc. ⁽¹²⁾	Surgical Devices	Senior Secured	March 2019	Interest rate PRIME + 6.30% or Floor rate of 9.55%, 1.75% Exit Fee	\$8,500	8,451	8,419
Subtotal: 1-5 Years Maturity						8,451	8,419
Subtotal: Surgical Devices (1.16%)*						8,451	8,419

Total Debt Investments (149.09%)*

1,109,204 1,077,600

See notes to consolidated financial statements.

14

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost (2)	Value (3)
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc. (13)	Biotechnology Tools	Equity	Preferred Series C	189,394	\$ 500	\$ 492
Subtotal: Biotechnology Tools (0.07%)*					500	492
Communications & Networking						
GlowPoint, Inc. (3)	Communications & Networking	Equity	Common Stock	114,192	102	66
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	5,857
Subtotal: Communications & Networking (0.82%)*					1,102	5,923
Consumer & Business Products						
Market Force Information, Inc.	Consumer & Business Products	Equity	Preferred Series B-1	187,970	500	3
	Consumer & Business Products	Equity	Common Stock	480,261	—	205
Total: Market Force Information, Inc.				668,231	500	208
Subtotal: Consumer & Business Products (0.03%)*					500	208
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	138
Subtotal: Diagnostic (0.02%)*					750	138
Drug Delivery						
	Drug Delivery	Equity		54,240	108	165

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AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹³⁾			Common Stock			
Edge Therapeutics, Inc.	Drug Delivery	Equity	Common Stock	157,190	1,000	1,957
Merrion Pharmaceuticals, Plc ⁽³⁾⁽⁴⁾⁽⁹⁾	Drug Delivery	Equity	Common Stock	20,000	9	—
Neos Therapeutics, Inc. ⁽³⁾⁽¹³⁾	Drug Delivery	Equity	Common Stock	125,000	1,500	2,626
Subtotal: Drug Delivery (0.66%)*					2,617	4,748
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹³⁾	Drug Discovery & Development	Equity	Common Stock	167,864	842	204
Cerecor, Inc. ⁽¹⁷⁾	Drug Discovery & Development	Equity	Preferred Series B-1	119,087	1,000	553
Cerulean Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	135,501	1,000	496
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹³⁾	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	1,173
Dynavax Technologies ⁽³⁾⁽⁹⁾	Drug Discovery & Development	Equity	Common Stock	20,000	550	491
Epirus Biopharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	884
Genocea Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	1,531
Inotek Pharmaceuticals Corporation ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	36
Insmed, Incorporated ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	1,314
Melinta Therapeutics	Drug Discovery & Development	Equity	Preferred Series 4	957,224	1,000	908
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽³⁾⁽¹³⁾	Drug Discovery & Development	Equity	Common Stock	31,580	1,743	598
Subtotal: Drug Discovery & Development (1.13%)*					12,635	8,188
Electronics & Computer Hardware						
Identiv, Inc. ⁽³⁾	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	24
Subtotal: Electronics & Computer Hardware (0.00%)*					34	24
Energy Technology						
Glori Energy, Inc. ⁽³⁾	Energy Technology	Equity	Common Stock	18,208	165	13
Modumetal, Inc.	Energy Technology	Equity	Preferred Series C	3,107,520	500	415
SCIEnergy, Inc.	Energy Technology	Equity	Preferred Series 1	385,000	761	15

Subtotal: Energy Technology (0.06%)*				1,426	443	
Information Services						
Good Technology Corporation (p.k.a. Visto Corporation) ⁽¹³⁾⁽¹⁷⁾	Information Services	Equity	Common Stock	500,000	603	285
Subtotal: Information Services (0.04%)*				603	285	

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost (2)	Value (3)
Internet Consumer & Business Services						
Blurb, Inc. (13)	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	\$175	\$229
Lightspeed POS, Inc. (4)(9)	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	253
	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	240
Total: Lightspeed POS, Inc.				428,707	500	493
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	292
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	250
Total: Oportun (p.k.a. Progress Financial)				306,153	500	542
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	—
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	30
Taptera, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	454,545	150	130
Subtotal: Internet Consumer & Business Services (0.20%)*					1,433	1,424
Medical Devices & Equipment						
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series E	221,893	1,500	1,823
Gelesis, Inc. (5)(13)	Medical Devices & Equipment	Equity	Common Stock	198,202	—	388
	Medical Devices & Equipment	Equity	Preferred Series A-1	674,208	425	504
	Medical Devices & Equipment	Equity	Preferred Series A-2	675,676	500	438

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Total: Gelesis, Inc.				1,548,086	925	1,330
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	493
Medrobotics Corporation ⁽¹³⁾	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	154
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	192
Total: Medrobotics Corporation				210,769	405	346
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	—
Optiscan Biomedical, Corp. ⁽⁵⁾⁽¹³⁾	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	473
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	142
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	5,331
Total: Optiscan Biomedical, Corp.				63,216,799	8,912	5,946
Oraza Therapeutics, Inc.	Medical Devices & Equipment	Equity	Preferred Series 1	1,086,969	500	126
Subtotal: Medical Devices & Equipment (1.39%)*					13,769	10,064
Software						
Box, Inc. ⁽³⁾⁽¹³⁾	Software	Equity	Common Stock	1,287,347	5,653	16,195
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	74
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	662
	Software	Equity	Preferred Series E	80,587	131	170
Total: ForeScout Technologies, Inc.				399,686	529	832
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	208
NewVoiceMedia Limited ⁽⁴⁾⁽⁹⁾	Software	Equity	Preferred Series E	669,173	963	975
WildTangent, Inc. ⁽¹³⁾	Software	Equity	Preferred Series 3	100,000	402	202
Subtotal: Software (2.56%)*					7,905	18,486
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. ⁽¹³⁾	Surgical Devices	Equity	Preferred Series B	219,298	250	30
	Surgical Devices	Equity	Preferred Series C	656,538	282	45
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	579
	Surgical Devices	Equity	Preferred Series E	2,785,402	429	388
Total: Gynesonics, Inc.				5,652,395	1,673	1,042
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	162
	Surgical Devices	Equity	Preferred Series C	119,999	300	93
	Surgical Devices	Equity	Preferred Series D	260,000	650	585
	Surgical Devices	Equity	Preferred Series F	100,200	500	496
Total: Transmedics, Inc.				569,160	2,550	1,336
Subtotal: Surgical Devices (0.33%)*					4,223	2,378
Total: Equity Investments (7.31%)*					48,247	52,801

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost (2)	Value (3)
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc. (13)	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	\$ 323	\$ 178
Subtotal: Biotechnology Tools (0.02%)*					323	178
Communications & Networking						
Intelepeer, Inc. (13)	Communications & Networking	Warrant	Preferred Series C	117,958	102	—
OpenPeak, Inc.	Communications & Networking	Warrant	Common Stock	108,982	149	—
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	64
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	559
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	186
SkyCross, Inc. (13)	Communications & Networking	Warrant	Preferred Series F	9,762,777	394	—
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	418	62
Subtotal: Communications & Networking (0.12%)*					1,271	871
Consumer & Business Products						
Antenna79 (p.k.a. Pong Research Corporation) (13)	Consumer & Business Products	Warrant	Preferred Series A	1,662,441	228	12
Intelligent Beauty, Inc. (13)	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	188
IronPlanet, Inc.	Consumer & Business Products	Warrant	Preferred Series D	1,155,821	1,076	682
Market Force Information, Inc.		Warrant		150,212	25	9

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	Consumer & Business Products		Preferred Series A-1			
The Neat Company ⁽¹³⁾	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	—
Subtotal: Consumer & Business Products (0.12%)*					1,924	891
Diagnostic						
Navidea Biopharmaceuticals, Inc. (p.k.a. Neoprobe) ⁽³⁾⁽¹³⁾	Diagnostic	Warrant	Common Stock	333,333	244	134
Subtotal: Diagnostic (0.02%)*					244	134
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹³⁾	Drug Delivery	Warrant	Common Stock	176,730	786	176
Agile Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	180,274	730	326
BIND Therapeutics, Inc. ⁽³⁾⁽¹³⁾	Drug Delivery	Warrant	Common Stock	152,586	488	59
BioQuiddity Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	19
Celator Pharmaceuticals, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	210,675	138	71
Celsion Corporation ⁽³⁾	Drug Delivery	Warrant	Common Stock	194,986	428	16
Dance Biopharm, Inc. ⁽¹³⁾	Drug Delivery	Warrant	Preferred Series A	97,701	74	17
Edge Therapeutics, Inc.	Drug Delivery	Warrant	Common Stock			