

HERCULES TECHNOLOGY GROWTH CAPITAL INC
Form 10-Q
November 06, 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 September 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)

400 Hamilton Ave., Suite 310

743113410
(IRS Employer

Identification No.)
94301

(Zip Code)

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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 3, 2014, there were 64,199,024 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)

	September 30, 2014	December 31, 2013
Assets		
Investments:		
Non-control/Non-affiliate investments (cost of \$996,338 and \$891,059, respectively)	\$990,068	\$899,314
Affiliate investments (cost of \$15,959 and \$15,238, respectively)	8,845	10,981
Total investments, at value (cost of \$1,012,297 and \$906,297, respectively)	998,913	910,295
Cash and cash equivalents	158,627	268,368
Restricted cash	2,096	6,271
Interest receivable	9,146	8,962
Other assets	30,556	27,819
Total assets	\$1,199,338	\$1,221,715
Liabilities		
Accounts payable and accrued liabilities	\$11,613	\$14,268
Long-term Liabilities (Convertible Senior Notes)	40,012	72,519
Asset-Backed Notes	27,951	89,557
2019 Notes	170,364	170,364
2024 Notes	103,000	—
Long-term SBA Debentures	190,200	225,000
Total liabilities	\$543,140	\$571,708
Commitments and Contingencies (Note 10)		
Net assets consist of:		
Common stock, par value	65	62
Capital in excess of par value	670,711	656,594
Unrealized appreciation (depreciation) on investments	(14,706)	3,598
Accumulated realized losses on investments	(2,233)	(15,240)
Undistributed net investment income	2,361	4,993
Total net assets	\$656,198	\$650,007
Total liabilities and net assets	\$1,199,338	\$1,221,715
Shares of common stock outstanding (\$0.001 par value, 100,000,000 authorized)	64,182	61,837

Net asset value per share	\$10.22	\$10.51
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See notes to consolidated financial statements.

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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)	September 30, 2014	December 31, 2013
ASSETS		
Restricted Cash	\$ 2,096	\$ 6,271
Total investments, at value (cost of \$87,405 and \$166,513, respectively)	85,233	165,445
Total assets	\$ 87,329	\$ 171,716
LIABILITIES		
Asset-Backed Notes	\$ 27,951	\$ 89,557
Total liabilities	\$ 27,951	\$ 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 September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Investment income:				
Interest income				
Non-Control/Non-Affiliate investments	\$ 33,210	\$ 35,623	\$ 92,975	\$ 93,722
Affiliate investments	130	561	1,747	1,684
Total interest income	33,340	36,184	94,722	95,406
Fees				
Non-Control/Non-Affiliate investments	3,671	4,832	12,037	11,088
Affiliate investments	8	5	30	9
Total fees	3,679	4,837	12,067	11,097
Total investment income	37,019	41,021	106,789	106,503
Operating expenses:				
Interest	6,495	7,587	20,177	22,788
Loan fees	1,364	1,072	4,531	3,341
General and administrative	2,397	2,176	6,984	6,831
Employee Compensation:				
Compensation and benefits	3,922	7,030	11,375	14,992
Stock-based compensation	2,823	1,596	6,849	4,349
Total employee compensation	6,745	8,626	18,224	19,341
Total operating expenses	17,001	19,461	49,916	52,301
Loss on debt extinguishment (Long-term Liabilities - Convertible Senior Notes)	(1,023)	—	(1,023)	—
Net investment income	18,995	21,560	55,850	54,202
Net realized gain on investments				
Non-Control/Non-Affiliate investments	5,664	7,125	13,007	11,309
Total net realized gain on investments	5,664	7,125	13,007	11,309
Net increase in unrealized appreciation (depreciation) on investments				
Non-Control/Non-Affiliate investments	(10,029)	9,288	(15,447)	10,506
Affiliate investments	547	(992)	(2,857)	(1,468)
Total net unrealized appreciation (depreciation) on investments	(9,482)	8,296	(18,304)	9,038
Total net realized and unrealized gain (loss)	(3,818)	15,421	(5,297)	20,347
Net increase in net assets resulting from operations	\$ 15,177	\$ 36,981	\$ 50,553	\$ 74,549
Net investment income before investment gains and losses per common share:				
Basic	\$ 0.30	\$ 0.35	\$ 0.89	\$ 0.91
Change in net assets per common share:				

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Basic	\$ 0.24	\$ 0.61	\$ 0.80	\$ 1.26
Diluted	\$ 0.23	\$ 0.59	\$ 0.78	\$ 1.23
Weighted average shares outstanding				
Basic	62,356	60,522	61,444	58,206
Diluted	63,779	60,750	63,554	58,396
Dividends declared per common share:				
Basic	\$ 0.31	\$ 0.31	\$ 0.93	\$ 0.86

See notes to consolidated financial statements.

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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, 2012	52,925	\$ 53	\$ 564,508	\$ (7,947)	\$ (36,916)	\$ (3,388)	\$ (342)	\$ 515,968
Net increase in net assets								
resulting from operations	—	—	—	9,038	11,309	54,202	—	74,549
Issuance of common stock	1,337	1	16,542	—	—	—	—	16,543
Issuance of common stock under								
restricted stock plan	472	1	(1)	—	—	—	—	—
Issuance of common stock as								
stock dividend	142	—	1,923	—	—	—	—	1,923
Retired shares from net issuance	(1,170)	(1)	(18,259)	—	—	—	—	(18,260)
Public offering	8,050	8	95,529	—	—	—	—	95,537
Dividends declared	—	—	—	—	—	(47,292)	—	(47,292)
Stock-based compensation	—	—	4,408	—	—	—	—	4,408
Balance at September 30, 2013	61,756	\$ 62	\$ 664,650	\$ 1,091	\$ (25,607)	\$ 3,522	\$ (342)	\$ 643,376
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	—	—	—	(18,304)	13,007	55,850	—	50,553

resulting from
operations

Issuance of common stock	256	—	2,873	—	—	—	—	2,873
Issuance of common stock under								
restricted stock plan	632	1	(1)	—	—	—	—	—
Issuance of common stock as								
stock dividend	76	—	1,152	—	—	—	—	1,152
Retired shares from net issuance	(193)	—	(5,992)	—	—	—	—	(5,992)
Public offering	1,574	2	9,180	—	—	—	—	9,182
Dividends declared	—	—	—	—	—	(58,482)	—	(58,482)
Stock-based compensation	—	—	6,905	—	—	—	—	6,905
Balance at September 30, 2014	64,182	\$ 65	\$ 670,711	\$ (14,706)	\$ (2,233)	\$ 2,703	\$ (342)	\$ 656,198

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(dollars in thousands)

	Nine Months Ended September 30,	
	2014	2013
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$50,553	\$74,549
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by		
(used in) operating activities:		
Purchase of investments	(415,399)	(411,515)
Principal payments received on investments	316,543	336,438
Proceeds from the sale of investments	17,977	29,459
Net unrealized depreciation (appreciation) on investments	18,304	(9,038)
Net realized gain on investments	(13,007)	(11,309)
Accretion of paid-in-kind principal	(1,990)	(2,269)
Accretion of loan discounts	(7,690)	(4,556)
Accretion of loan discount on Convertible Senior Notes	738	812
Loss on conversion of Convertible Senior Notes	1,023	—
Accretion of loan exit fees	(754)	(10,031)
Change in deferred loan origination revenue	(616)	2,540
Unearned fees related to unfunded commitments	(7,789)	(364)
Amortization of debt fees and issuance costs	4,131	2,918
Depreciation	161	162
Stock-based compensation and amortization of restricted stock grants	6,905	4,408
Change in operating assets and liabilities:		
Interest and fees receivable	(184)	(641)
Prepaid expenses and other assets	59	570
Accounts payable	1,126	(63)
Accrued liabilities	(4,203)	2,588
Net cash provided by (used in) operating activities	(34,112)	4,658
Cash flows from investing activities:		
Purchases of capital equipment	(94)	(240)
Reduction of (investment in) restricted cash	4,175	(3,632)
Other long-term assets	—	(30)
Net cash provided by (used in) investing activities	4,081	(3,902)
Cash flows from financing activities:		
Proceeds from issuance (repurchase of employee shares due to restricted stock vesting) of	6,734	93,443

common stock, net		
Dividends paid	(57,330)	(45,368)
Issuance of 2024 Notes, net	99,655	—
Repayments of Asset-Backed Notes	(61,606)	(26,832)
Repayments of Long-Term SBA Debentures	(34,800)	—
Cash paid for redemption of Convertible Senior Notes	(31,577)	—
Fees paid for credit facilities and debentures	(786)	—
Net cash provided by (used in) financing activities	(79,710)	21,243
Net decrease in cash and cash equivalents	(109,741)	21,999
Cash and cash equivalents at beginning of period	268,368	182,994
Cash and cash equivalents at end of period	\$ 158,627	\$ 204,993
Supplemental non-cash investing and financing activities:		
Dividends Reinvested	\$ 1,152	\$ 1,923
Paid-in-Kind Principal	\$ 1,990	\$ 2,269

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of			Principal		
		Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Debt Investments							
Biotechnology Tools							
1-5 Years Maturity							
OpenCyte, Inc. (13)(14)	Biotechnology Tools	Senior Secured	June 2016	Interest rate PRIME + 6.70% or Floor rate of 9.95%	\$3,104	\$3,252	\$3,262
Subtotal: 1-5 Years Maturity						3,252	3,262
Subtotal: Biotechnology Tools (7.50%)*						3,252	3,262
Communications & Networking							
1-5 Years Maturity							
OpenPeak, Inc. (13)	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$9,296	9,454	9,331
SkyCross, Inc. (13)(14)	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 9.70%	\$7,500	7,278	7,440
	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$14,500	14,050	14,366
Subtotal SkyCross, Inc.					\$22,000	21,328	21,806
Spring Mobile Solutions, Inc. (13)	Communications & Networking	Senior Secured	November 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$18,840	18,886	19,071
Subtotal: 1-5 Years Maturity						49,668	50,203
Subtotal: Communications & Networking (7.65%)*						49,668	50,203
Consumer & Business Products							
1-5 Years Maturity							
OpenCyte, Inc. ⁽⁹⁾	Consumer & Business Products	Convertible Senior Note	March 2017	Interest rate FIXED 4.00%	\$100	100	100

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ong Research Corporation (14)	Consumer & Business Products	Senior Secured	December 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$5,000	4,872	4,872	
the Neat Company (13)(14)	Consumer & Business Products	Senior Secured	September 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%, PIK Interest 1.00%	\$20,010	19,221	19,221	
Subtotal: 1-5 Years Maturity						24,193	24,193	
Subtotal: Consumer & Business Products (3.69%)*						24,193	24,193	
Drug Delivery								
5 Years Maturity								
celRx Pharmaceuticals, Inc. (3)(10)(13)(14)	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%	\$25,000	24,643	24,799	
ND Therapeutics, Inc. (3)(13)(14)	Drug Delivery	Senior Secured	September 2016	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$3,694	3,736	3,638	
elator Pharmaceuticals, Inc. (3)(13)	Drug Delivery	Senior Secured	December 2017	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$10,000	9,865	9,865	
elision Corporation (3)(13)	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$10,000	9,763	9,966	
ance Biopharm, Inc. (13)(14)	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40% or Floor rate of 10.65%	\$4,000	3,935	3,965	
lge Therapeutics, Inc. (13)	Drug Delivery	Senior Secured	March 2018	Interest rate PRIME + 5.95% or Floor rate of 10.45%	\$3,000	2,846	2,846	
eos Therapeutics, Inc. (13)(14)	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 7.25% or Floor rate of 10.50%	\$5,000	4,881	4,881	
	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%	\$10,000	10,000	9,689	
Subtotal Neos Therapeutics, Inc.						\$15,000	14,881	14,577
osano Pharma, Inc. (13)	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 6.80% or Floor rate of 12.05%	\$4,000	3,857	3,857	
Subtotal: 1-5 Years Maturity						73,526	73,499	
Under 1 Year Maturity								
evance Therapeutics, Inc. (3)(13)	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	\$410	445	445	
	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	\$4,096	4,439	4,439	
Subtotal Revance Therapeutics, Inc.						\$4,506	4,884	4,884
Subtotal: Under 1 Year Maturity						4,884	4,884	
Subtotal: Drug Delivery (11.94%)*						78,410	78,383	

See notes to consolidated financial statements.

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of			Principal		
		Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Development							
5 Years Maturity							
ADMA Technologies, Inc. (12)(13)	Drug Discovery & Development	Senior Secured	June 2017	Interest rate PRIME + 3.00% or Floor rate of 8.75%, PIK Interest of 1.95%	\$ 10,103	\$ 9,961	\$ 10,026
Macor Pharmaceuticals, Inc. (14)	Drug Discovery & Development	Senior Secured	July 2017	Interst rate PRIME + 6.40% or Floor rate of 11.65%	\$ 30,000	29,316	29,916
Vevo Pharmaceuticals, Inc. (10)(11)(13)(14)	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 11.90% or Floor rate of 11.90%	\$ 10,000	9,688	9,688
Celladon Corporation (13)(14)	Drug Discovery & Development	Senior Secured	February 2018	Interest rate PRIME + 3.00% or Floor rate of 8.25%	\$ 10,000	9,939	9,939
Tempra, Inc. (13)	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 6.30% or Floor rate of 9.55%	\$ 18,000	18,010	18,010
Perceor Inc. (13)	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 4.70% or Floor rate of 7.95%	\$ 7,500	7,337	7,337
Cleveland BioLabs, Inc. (13)(14)	Drug Discovery & Development	Senior Secured	January 2017	Interest rate PRIME + 6.20% or Floor rate of 10.45%	\$ 2,000	2,000	2,040
Concert Pharmaceuticals, Inc. (3)(4)	Drug Discovery & Development	Senior Secured	October 2015	Interest rate PRIME + 3.25% or Floor rate of 8.50%	\$ 9,218	9,162	9,254
ATI BioPharma Corp. (pka Cell Therapeutics, Inc.) (11)(13)	Drug Discovery & Development	Senior Secured	October 2016	Interest rate PRIME + 9.00% or Floor rate 12.25%	\$ 15,000	14,962	15,332
Asmed, Incorporated (13)	Drug Discovery & Development	Senior Secured	January 2016	Interest rate PRIME + 4.75% or Floor rate of 9.25%	\$ 20,000	19,871	20,071

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Biotechnology, Inc. (14)	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 5.75% or Floor rate of 9.00%	\$4,000	3,909	3,909
Terrimack Pharmaceuticals, c. (3)(13)	Drug Discovery & Development	Senior Secured	November 2016	Interest rate PRIME + 5.30% or Floor rate of 10.55%	\$40,000	40,516	40,599
Neuralstem, Inc. (13)(14)	Drug Discovery & Development	Senior Secured	June 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$5,834	5,904	6,138
QiQure B.V. (5)(10)(13)	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00% or Floor rate of 10.25%	\$20,000	19,826	19,826
Subtotal: 1-5 Years Maturity						200,401	202,08
Under 1 Year Maturity							
Novo Pharmaceuticals, c. (10)(11)(13)(14)	Drug Discovery & Development	Senior Secured	September 2015	Interest rate PRIME + 7.15% or Floor rate of 11.90%	\$11,611	11,611	11,611
Subtotal: Under 1 Year Maturity						11,611	11,611
Subtotal: Drug Discovery & Development (32.57%)*						212,012	213,69
Electronics & Computer Hardware							
5 Years Maturity							
Aviatrix Technologies, c. (8)(12)	Electronics & Computer Hardware	Senior Secured	October 2016	Interest rate LIBOR + 8.75% or Floor rate of 12.00%, PIK Interest of 4.00%	\$267	180	—
Subtotal: 1-5 Years Maturity						180	—
Subtotal: Electronics & Computer Hardware (0.00%)*						180	—

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(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							
Grivida, Inc. ⁽¹⁴⁾	Energy Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$5,468	\$5,518	\$2,992
American Superconductor Corporation ⁽¹¹⁾⁽¹³⁾	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$8,667	8,763	8,741
Amyris, Inc. ⁽¹⁰⁾⁽¹³⁾	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
Amber, Inc. ⁽¹⁰⁾⁽¹³⁾	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$22,153	23,573	23,290
Phase Energy, Inc. ⁽¹³⁾	Energy Technology	Senior Secured	August 2016	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$5,861	5,956	6,001
Luidic, Inc. ⁽¹³⁾	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$4,347	4,386	4,370
olyera Corporation ⁽³⁾⁽¹⁴⁾	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$4,214	4,346	4,369
AS Energy, Inc. ⁽³⁾	Energy Technology	Senior Secured	December 2015	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$8,506	8,674	8,608
Subtotal: 1-5 Years Maturity						91,216	88,371
Under 1 Year Maturity							
American Superconductor Corporation ⁽¹¹⁾⁽¹³⁾	Energy Technology	Senior Secured	December 2014	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$1,154	1,648	1,648
lori Energy, Inc. ⁽¹¹⁾⁽¹³⁾	Energy Technology	Senior Secured	June 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$2,667	2,908	2,908
		Senior Secured	February 2015		\$549	546	546

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Infiniti (pka Integrated Photovoltaics, Inc.) (4)	Energy Technology			Interest rate PRIME + 7.38% or Floor rate of 10.63%			
tion Corporation (6)(13)	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$3,379	3,415	2,501
Subtotal: Under 1 Year Maturity						8,517	7,603
Subtotal: Energy Technology (4.63%)*						99,733	95,974
Healthcare Services, Other 1-5 Years Maturity							
Chromadex Corporation (13)(14)	Healthcare Services, Other	Senior Secured	April 2018	Interest rate PRIME + 6.10% or Floor rate of 9.35%	\$2,500	2,387	2,387
InstaMed Communications, LLC (13)(14)	Healthcare Services, Other	Senior Secured	December 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%	\$2,736	2,805	2,825
IDEverywhere, Inc. (13)	Healthcare Services, Other	Senior Secured	June 2017	Interest rate LIBOR + 9.50% or Floor rate of 10.75%	\$2,383	2,375	2,266
Subtotal: 1-5 Years Maturity						7,567	7,478
Subtotal: Healthcare Services, Other (1.14%)*						7,567	7,478
Information Services 1-5 Years Maturity							
hXpo, Inc. (13)(14)	Information Services	Senior Secured	July 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$2,057	2,056	2,064
Womensforum.com (1)(12)	Information Services	Senior Secured	October 2016	Interest rate LIBOR + 6.50% or Floor rate of 9.25%	\$6,200	6,128	5,739
	Information Services	Senior Secured	October 2016	Interest rate LIBOR + 7.50% or Floor rate of 10.25%, PIK Interest 2.00%	\$4,678	4,624	4,342
Subtotal						\$10,878	10,752
Subtotal: 1-5 Years Maturity						12,808	12,145
Under 1 Year Maturity							
ccentex Corporation (11)(13)	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$322	334	161
Womensforum.com (1)(12)	Information Services	Senior Secured	April 2015	Interest rate LIBOR + 6.50% or Floor rate of 9.00%	\$1,250	1,241	1,162
Subtotal: Under 1 Year Maturity						1,575	1,323
Subtotal: Information Services (2.05%)*						14,383	13,468

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of			Principal		
		Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Internet Consumer & Business Services							
1-5 Years Maturity							
CashStar, Inc. (12)(14)	Internet Consumer & Business Services	Senior Secured	June 2016	Interest rate PRIME + 6.25% or Floor rate 10.50%, PIK Interest 1.00%	\$7,120	\$7,008	\$7,074
Education Dynamics, LLC (12)(14)	Internet Consumer & Business Services	Senior Secured	March 2016	Interest rate LIBOR + 12.5% or Floor rate 12.50%, PIK Interest 1.50%	\$20,513	20,493	20,593
Gazelle, Inc. (12)(14)	Internet Consumer & Business Services	Senior Secured	April 2016	Interest rate PRIME + 7.00% or Floor rate of 10.25%, PIK Interest 2.50%	\$13,625	13,410	13,410
Just Fabulous, Inc. (4)(13)	Internet Consumer & Business Services	Senior Secured	February 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$15,000	14,300	14,600
LightSpeed Retail, Inc. (5)(10)	Internet Consumer & Business Services	Senior Secured	May 2018	Interest rate PRIME + 3.25% or Floor rate of 6.50%	\$2,000	1,984	1,984
Reply! Inc. (11)(12)(13)	Internet Consumer & Business Services	Senior Secured	February 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 2.00%	\$2,939	2,825	2,883
Tapjoy, Inc. (13)	Internet Consumer & Business Services	Senior Secured	July 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$3,000	2,908	2,908
Vaultlogix, LLC (12)(13)(14)	Internet Consumer & Business	Senior Secured	September 2016	Interest rate LIBOR + 8.50% or Floor rate of 10.00%, PIK interest 2.50%	\$8,102	8,090	8,090

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	Services							
WaveMarket, Inc. (11)(13)	Internet Consumer & Business Services	Senior Secured	September 2016	Interest rate PRIME + 5.75% or Floor rate of 9.50%		\$8,195	8,172	8,253
	Internet Consumer & Business Services	Senior Secured	March 2017	Interest rate PRIME + 6.50% or Floor rate of 9.75%		\$331	334	343
Total WaveMarket, Inc.						\$8,526	8,506	8,596
Subtotal: 1-5 Years Maturity							79,524	80,138
Under 1 Year Maturity								
NetPlenish (8)(9)(14)	Internet Consumer & Business Services	Convertible Senior Note	April 2015	Interest rate FIXED 10.00%		\$92	92	—
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate FIXED 10.00%		\$381	373	—
Total NetPlenish						\$473	465	—
Reply! Inc. (11)(12)(13)	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate PRIME + 6.88% or Floor rate of 10.13%, PIK Interest 2.00%		\$8,423	8,496	8,581
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate PRIME + 7.25% or Floor rate of 11.00%, PIK Interest 2.00%		\$1,857	1,911	1,931
Total Reply! Inc.						\$10,280	10,407	10,512
Tectura Corporation (8)(12)	Internet Consumer & Business Services	Senior Secured	N/A	Interest rate LIBOR + 10.00% or Floor rate of 13.00%		\$6,468	6,468	1,990
	Internet Consumer & Business Services	Senior Secured	N/A	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%		\$9,070	9,070	2,791
	Internet Consumer & Business Services	Senior Secured	N/A	Interest rate LIBOR + 10.00% or Floor rate of 13.00%		\$563	563	173
	Internet Consumer &	Senior Secured	N/A	Interest rate LIBOR + 10.00% or Floor rate of 13.00%		\$5,000	5,000	1,539

Business Services				
Total Tectura Corporation			\$21,101	21,101
Vaultlogix, LLC (12)(13)(14)	Internet Consumer & Business Services	Senior Secured September 2015 Interest rate LIBOR + 7.00% or Floor rate of 8.50%		6,493
			\$5,740	5,876
Subtotal: Under 1 Year Maturity				37,849
Subtotal: Internet Consumer & Business Services (15.70%)*				22,881
				117,373
				103,019

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value
Media/Content/Info							
1-5 Years Maturity							
Body International, Inc.	Media/Content/Info	Senior Secured	April 2018	Interest rate PRIME + 5.25% or Floor rate of 9.00%, PIK interest of 1.50%	\$20,129	\$19,618	\$19,618
Media, Inc. ⁽¹²⁾	Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 3.75%	\$2,979	2,911	2,911
Total: 1-5 Years Maturity						22,529	22,529
Under 1 Year Maturity							
Media, Inc. ⁽¹²⁾	Media/Content/Info	Senior Secured	December 2014	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$4,500	4,474	4,474
Total: Under 1 Year Maturity						4,474	4,474
Total: Media/Content/Info (4.12%)*						27,003	27,003
Medical Devices & Equipment							
1-5 Years Maturity							
Medical Corporation ⁽⁸⁾⁽¹⁴⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$20,000	19,501	19,501
Medical, Inc. ⁽¹³⁾⁽¹⁴⁾	Medical Devices & Equipment	Senior Secured	December 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$7,500	7,183	7,183
Medical Surgical, Inc. ⁽¹³⁾	Medical Devices & Equipment	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 12.50%	\$7,500	7,405	7,405
Medica Medica, Inc. ⁽³⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$4,000	3,840	3,840
Dialysis, Inc. ⁽⁴⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	October 2017	Interest rate PRIME + 4.35% or Floor rate of 9.60%	\$15,000	14,732	14,732
EMD, Inc. ⁽¹³⁾	Medical Devices & Equipment	Senior Secured	February 2017	Interest rate PRIME + 5.00% or Floor rate of 10.50%	\$9,710	9,694	9,694
Robotics Corporation ⁽¹³⁾⁽¹⁴⁾	Medical Devices & Equipment	Senior Secured	March 2016	Interest rate PRIME + 7.85% or Floor rate of 11.10%	\$3,170	3,223	3,223

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o, Inc.	Medical Devices & Equipment	Senior Secured	August 2017	Interest rate PRIME + 5.00% or Floor rate of 11.00%	\$5,000	4,796	4,8
oint Medical, (3)(14)	Medical Devices & Equipment	Senior Secured	January 2016	Interest rate PRIME + 5.85% or Floor rate of 9.10%	\$3,941	4,026	4,0
erix ration (13)	Medical Devices & Equipment	Senior Secured	November 2017	Interest rate PRIME + 2.75% or Floor rate of 8.00%	\$5,000	4,895	4,8
Care Medical, pka US LLC (11)(13)	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$4,167	4,402	4,3
gEyes, Inc.	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$5,000	4,982	4,9
l Orthopedic , Inc. (13)	Medical Devices & Equipment	Senior Secured	July 2016	Interest rate PRIME + 8.60% or Floor rate of 11.85%	\$24,288	24,334	24,
Ray, Inc.	Medical Devices & Equipment	Senior Secured	June 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%, PIK Interest 1.50%	\$15,163	14,807	14,
Total: 1-5 Years Maturity						127,820	123
Under 1 Year Maturity							
Dialysis nc. (4)(13)	Medical Devices & Equipment	Senior Secured	September 2015	Interest rate FIXED 8.00%	\$500	500	500
peutics, Inc. (13)	Medical Devices & Equipment	Senior Secured	September 2015	Interest rate PRIME + 5.50% or Floor rate of 10.25%, PIK Interest of 1.00%	\$6,159	6,120	4,4
Total: Under 1 Year Maturity						6,620	4,9
Total: Medical Devices & Equipment (0.81%)*						134,440	130
Semiconductors							
Under 1-5 Years Maturity							
a Corporation	Semiconductors	Senior Secured	April 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%	\$5,000	4,963	4,9
Total: 1-5 Years Maturity						4,963	4,9
Under 1 Year Maturity							
nix onductor ration	Semiconductors	Senior Secured	January 2015	Interest rate PRIME + 10.60% or Floor rate of 13.85%	\$341	341	34
Total: Under 1 Year Maturity						341	34
Total: Semiconductors (0.81%)*						5,304	5,3

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal			
					Amount	Cost ⁽²⁾	Value ⁽³⁾	
Years Maturity								
Cloud Corporation ⁽¹⁴⁾	Software	Senior Secured	July 2017	Interest rate PRIME + 5.50% or Floor rate of 8.75%	\$10,000	\$9,792	\$9,792	
Blackfox, Inc. ⁽¹⁴⁾	Software	Senior Secured	September 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$6,000	5,981	5,981	
Knowledge Venture, Inc. ⁽¹⁴⁾	Software	Senior Secured	March 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$11,750	11,712	11,777	
Mobile Posse, ⁽¹³⁾⁽¹⁴⁾	Software	Senior Secured	December 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$3,274	3,241	3,274	
Insights Solutions, ⁽¹³⁾⁽¹⁴⁾	Software	Senior Secured	May 2016	Interest rate PRIME + 5.75% or Floor rate of 10.50%	\$2,707	2,811	2,829	
Analytics, Inc. ⁽¹⁴⁾	Software	Senior Secured	June 2017	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$1,500	1,493	1,493	
Soasta, Inc. ⁽¹⁴⁾	Software	Senior Secured	February 2018	Interest rate PRIME + 4.75% or Floor rate of 8.00%	\$15,000	14,289	14,289	
	Software	Senior Secured	February 2018	Interest rate PRIME + 2.25% or Floor rate of 5.50%	\$3,500	3,334	3,334	
Soasta, Inc. ⁽¹⁴⁾	Software	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$18,500	17,623	17,623	
Blackfox, Inc. ⁽¹⁴⁾	Software	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$5,500	5,421	5,427	
BlackApp, Inc. ⁽¹³⁾	Software	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$2,981	3,046	3,038	
BlackCommerce, Inc. ⁽¹⁴⁾	Software	Senior Secured	June 2017	Interest rate PRIME + 6.00% or Floor rate of 10.25%	\$5,000	4,692	4,742	
Total: 1-5 Years Maturity						65,812	65,967	65,967
Under 1 Year Maturity								
Blackfox, Inc. ⁽¹⁴⁾	Software	Senior Secured	July 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$2,000	2,000	2,000	

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	Software	Senior Secured	January 2015	Interest rate PRIME + 9.25% or Floor rate of 12.50%	\$2,500	2,494	2,494
al Clickfox,					\$4,500	4,494	4,494
crest	Software	Senior Secured	July 2015	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$1,460	1,452	1,467
oratories, Inc.					\$500	489	489
obile Posse,	Software	Senior Secured	June 2015	Interest rate PRIME + 2.00% or Floor rate of 5.25%	\$200	200	200
(14)					\$3,811	3,804	3,802
rtApp, Inc. (13)	Software	Senior Secured	December 2014	Interest rate PRIME + 2.75% or Floor rate of 6.00%			
chcommerce,	Software	Senior Secured	December 2014	Interest rate PRIME + 2.25% or Floor rate of 6.50%			
(14)							
total: Under 1 Year Maturity						10,439	10,45
total: Software (11.65%)*						76,251	76,42
Specialty Pharmaceuticals							
5 Years Maturity							
nera	Specialty	Senior Secured	May 2018	Interest rate PRIME + 7.65% or Floor rate of 10.90%	\$35,000	34,050	33,22
ences, Inc. (3)							
nfond	Specialty	Senior Secured	February 2017	Interest rate LIBOR + 9.55% or Floor rate of 10.80%, PIK Interest of 1.35%	\$17,137	17,007	16,92
rmaceuticals,							
(12)(13)(14)							
ckwell	Specialty	Senior Secured	March 2017	Interest rate PRIME + 9.25% or Floor rate of 12.50%	\$19,436	19,840	19,84
dical,							
(13)(14)							
total: 1-5 Years Maturity						70,897	69,98
Under 1 Year Maturity							
nfond	Specialty	Senior Secured	August 2015	Interest rate LIBOR + 8.25% or Floor rate of 9.50%	\$2,500	2,467	2,470
rmaceuticals,							
(12)(13)(14)							
total: Under 1 Year Maturity						2,467	2,470
total: Specialty							
rmaceuticals (11.04%)*						73,364	72,45
Surgical Devices							
5 Years Maturity							
nsmedics, Inc.	Surgical Devices	Senior Secured	November 2015	Interest rate FIXED 12.95%	\$6,583	6,483	6,483
(13)							
total: 1-5 Years Maturity						6,483	6,483
total: Surgical Devices							
(9%)*						6,483	6,483
Total Debt Investments							
(8.36%)*						929,616	907,9

See notes to consolidated financial statements.

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(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. ⁽¹⁴⁾	Biotechnology Tools	Equity	Preferred Series C	189,394	\$500	\$578
Subtotal: Biotechnology Tools (0.09%)*					500	578
Communications & Networking						
GlowPoint, Inc. ⁽³⁾	Communications & Networking	Equity	Common Stock	114,192	102	148
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	4,398
Stoke, Inc.	Communications & Networking	Equity	Preferred Series E	152,905	500	—
Subtotal: Communications & Networking (0.69%)*					1,602	4,546
Consumer & Business Products						
Caivis Acquisition Corporation ⁽¹⁴⁾	Consumer & Business Products	Equity	Common Stock	295,861	819	—
Market Force Information, Inc.	Consumer & Business Products	Equity	Preferred Series B	187,970	500	224
Subtotal: Consumer & Business Products (0.03%)*					1,319	224
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	750
Subtotal: Diagnostic (0.11%)*					750	750
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾⁽¹⁴⁾	Drug Delivery	Equity	Common Stock	54,240	108	298
	Drug Delivery	Equity		20,000	9	—

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Merrion Pharmaceuticals, Plc ⁽³⁾⁽⁵⁾⁽¹⁰⁾			Common Stock			
Neos Therapeutics, Inc. ⁽¹⁴⁾	Drug Delivery	Equity	Preferred Series C	300,000	1,500	1,523
Transcept Pharmaceuticals, Inc. ⁽³⁾⁽¹⁵⁾	Drug Delivery	Equity	Common Stock	41,570	500	84
Subtotal: Drug Delivery (0.29%)*					2,117	1,905
Drug Discovery & Development						
Accelaron Pharma, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Equity	Common Stock	147,001	1,025	4,401
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾⁽¹⁴⁾	Drug Discovery & Development	Equity	Common Stock	167,864	842	186
Celladon Corporation ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Equity	Common Stock	105,263	1,000	892
Cerecor Inc.	Drug Discovery & Development	Equity	Preferred Series B	3,334,445	1,000	1,008
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	1,818
Inotek Pharmaceuticals Corporation	Drug Discovery & Development	Equity	Common Stock	15,334	1,500	—
Merrimack Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	848,591	3,213	7,523
Paratek Pharmaceuticals, Inc. ⁽¹⁵⁾	Drug Discovery & Development	Equity	Common Stock	2,881	5	2
	Drug Discovery & Development	Equity	Preferred Series A	167,468	1,126	156
Total Partek Pharmaceuticals, Inc.				170,349	1,131	158
Subtotal: Drug Discovery & Development (2.44%)*					10,711	15,986
Energy Technology						
Glori Energy, Inc. ⁽³⁾	Energy Technology	Equity	Common Stock	18,208	165	142
SCIEnergy, Inc.	Energy Technology	Equity	Preferred Series 1	385,000	761	25
Subtotal: Energy Technology (0.03%)*					926	167
Information Services						
Good Technologies, Inc. (pka Visto Corporation) ⁽¹⁴⁾	Information Services	Equity	Common Stock	500,000	603	473
Subtotal: Information Services (0.07%)*					603	473
Internet Consumer & Business Services						
Blurb, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	377
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	8,121	93	—
Progress Financial		Equity		218,351	250	246

	Internet Consumer & Business Services		Preferred Series G			
Taptera, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	454,545	150	152
Subtotal: Internet Consumer & Business Services (0.12%)*					668	775
Media/Content/Info						
Everyday Health, Inc. (pka Waterfront Media, Inc.) ⁽³⁾	Media/Content/Info	Equity	Common Stock	97,060	1,000	1,356
Subtotal: Media/Content/Info (0.21%)*					1,000	1,356

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Medical Devices & Equipment						
Gelesis, Inc. ⁽⁶⁾⁽¹⁴⁾	Medical Devices & Equipment	Equity	LLC Interest	2,024,092	\$925	\$314
Medrobotics Corporation ⁽¹⁴⁾	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	271
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	—
Optiscan Biomedical, Corp. ⁽⁶⁾⁽¹⁴⁾	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	421
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	130
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	5,257
Total Optiscan Biomedical, Corp.				63,216,799	8,912	5,808
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Equity	Preferred Series 1	1,086,969	500	—
Subtotal: Medical Devices & Equipment (0.97%)*					11,587	6,393
Software						
Atrenta, Inc.	Software	Equity	Preferred Series C	1,196,845	986	1,391
Atrenta, Inc.	Software	Equity	Preferred Series D	635,513	508	1,098
Total Atrenta, Inc.				1,832,358	1,494	2,489
Box, Inc. ⁽¹⁴⁾	Software	Equity	Preferred Series B	271,070	251	5,439
	Software	Equity	Preferred Series C	589,844	872	11,834
	Software	Equity	Preferred Series D	158,133	500	3,173
	Software	Equity	Preferred Series D-1	186,766	1,694	3,747
	Software	Equity		220,751	2,001	4,429

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			Preferred Series D-2			
	Software	Equity	Preferred Series E	38,183	500	766
Total Box, Inc.				1,464,747	5,818	29,388
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	90
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	724
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	146
Subtotal: Software (5.00%)*					8,068	32,837
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. ⁽¹⁴⁾	Surgical Devices	Equity	Preferred Series B	219,298	250	83
	Surgical Devices	Equity	Preferred Series C	656,538	282	138
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	1,000
Total Gynesonics, Inc.				2,866,993	1,244	1,221
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	292
	Surgical Devices	Equity	Preferred Series C	119,999	300	158
	Surgical Devices	Equity	Preferred Series D	260,000	650	928
Total Transmedics, Inc.				468,960	2,050	1,378
Subtotal: Surgical Devices (0.40%)*					3,294	2,599
Total Equity Investments (10.45%)*					43,895	68,589

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc. ⁽¹⁴⁾	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	\$ 323	\$ 54
Subtotal: Biotechnology Tools (0.01%)*					323	54
Communications & Networking						
Intelepeer, Inc. ⁽¹⁴⁾	Communications & Networking	Warrant	Preferred Series C	117,958	102	31
OpenPeak, Inc.	Communications & Networking	Warrant	Common Stock	108,982	149	121
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	42
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	467
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	102
SkyCross, Inc. ⁽¹⁴⁾	Communications & Networking	Warrant	Preferred Series F	9,762,777	393	417
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	418	358
Stoke, Inc.	Communications & Networking	Warrant	Preferred Series D	118,181	65	—
Subtotal: Communications & Networking (0.23%)*					1,335	1,538
Consumer & Business Products						
Intelligent Beauty, Inc. ⁽¹⁴⁾	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	365
Market Force Information, Inc.	Consumer & Business Products	Warrant	Preferred Series A	99,286	24	2
Pong Research Corporation ⁽¹⁴⁾	Consumer & Business Products	Warrant	Preferred Series A	1,662,441	228	197
The Neat Company ⁽¹⁴⁾		Warrant		540,540	365	328

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	Consumer & Business Products		Preferred Series C-1			
Subtotal: Consumer & Business Products (0.14%)*					847	892
Diagnostic						
Navidea Biopharmaceuticals, Inc. (pka Neoprobe) ⁽³⁾⁽¹⁴⁾	Diagnostic	Warrant	Common Stock	333,333	244	25
Subtotal: Diagnostic (0.00%)*					244	25
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾⁽¹⁴⁾	Drug Delivery	Warrant	Common Stock	176,730	786	330
Alexza Pharmaceuticals, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	37,639	645	—
BIND Therapeutics, Inc. ⁽³⁾⁽¹⁴⁾	Drug Delivery	Warrant	Common Stock	71,359	367	43
Celator Pharmaceuticals, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	158,006	107	92
Celsion Corporation ⁽³⁾	Drug Delivery	Warrant	Common Stock	194,986	428	341
Dance Biopharm, Inc. ⁽¹⁴⁾	Drug Delivery	Warrant	Preferred Series A	97,701	74	164
Edge Therapeutics, Inc.	Drug Delivery	Warrant	Preferred Series C	129,870	390	392
Intelliject, Inc.	Drug Delivery	Warrant	Preferred Series B	82,500	593	1,119
Neos Therapeutics, Inc. ⁽¹⁴⁾	Drug Delivery	Warrant	Preferred Series C	170,000	285	275
Revance Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	53,511	558	95
Transcept Pharmaceuticals, Inc. ⁽³⁾⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	61,452	87	—
Zosano Pharma, Inc.	Drug Delivery	Warrant	Common Stock	31,674	164	109
Subtotal: Drug Delivery (0.45%)*					4,484	2,960
Drug Discovery & Development						
ADMA Biologics, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	66,550	218	230
Anthera Pharmaceuticals, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	40,178	984	—
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	608,696	194	184
Cempra, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	138,797	458	538
Cerecor Inc.	Drug Discovery & Development	Warrant	Preferred Series B	625,208	70	68

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Chroma Therapeutics, Ltd. ⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	—	
Cleveland BioLabs, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	156,250	105	24	
Concert Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	70,796	368	144	
Coronado Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	73,009	142	38	
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	200	28	—	
Epirus Biopharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	64,194	276	276	
Horizon Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	22,408	231	23	
Neothetics, Inc. (pka Lithera, Inc) ⁽¹⁴⁾	Drug Discovery & Development	Warrant	Preferred Series C	114,285	89	89	
Nanotherapeutics, Inc. ⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	50,296	838	839	
uniQure B.V. ⁽³⁾⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Common Stock	37,174	218	79	
Subtotal: Drug Discovery & Development (0.39%)*					4,709	2,532	

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HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Electronics & Computer Hardware						
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	\$ 12	\$ 11
Identiv, Inc. ⁽³⁾	Electronics & Computer Hardware	Warrant	Common Stock	99,208	247	584
Subtotal: Electronics & Computer Hardware (0.09%)*					259	595
Energy Technology						
Agrivida, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	77,447	120	—
Alphabet Energy, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series A	86,329	81	145
American Superconductor Corporation ⁽³⁾	Energy Technology	Warrant	Common Stock	512,820	391	86
Brightsource Energy, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series 1	175,000	780	220
Calera, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	44,529	513	—
EcoMotors, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series B	437,500	308	368
Fluidic, Inc.	Energy Technology	Warrant	Preferred Series C	59,665	102	70
Fulcrum Bioenergy, Inc.	Energy Technology	Warrant	Preferred Series C-1	280,897	275	204
GreatPoint Energy, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series D-1	393,212	548	—
Polyera Corporation ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	161,575	69	161
Propel Fuels ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	3,200,000	211	—
SCIEnergy, Inc.	Energy Technology	Warrant	Common Stock	530,811	181	—
	Energy Technology	Warrant		145,811	50	—

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			Preferred Series 1			
Total SCIEnergy, Inc.				676,622	231	—
Scifiniti (pka Integrated Photovoltaics, Inc.) ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series A-1	390,000	82	67
Solexel, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	1,171,625	1,162	614
Stion Corporation ⁽⁶⁾	Energy Technology	Warrant	Preferred Series Seed	2,154	1,378	—
TAS Energy, Inc.	Energy Technology	Warrant	Preferred Series F	428,571	299	302
TPI Composites, Inc.	Energy Technology	Warrant	Preferred Series B	160	273	136
Trilliant, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series A	320,000	161	41
Subtotal: Energy Technology (0.37%)*					6,984	2,414
Healthcare Services, Other						
Chromadex Corporation ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	419,020	157	159
MDEverywhere, Inc.	Healthcare Services, Other	Warrant	Common Stock	129	93	29
Subtotal: Healthcare Services, Other (0.03%)*					250	188
Information Services						
Cha Cha Search, Inc. ⁽¹⁴⁾	Information Services	Warrant	Preferred Series G	48,232	58	14
InXpo, Inc. ⁽¹⁴⁾	Information Services	Warrant	Preferred Series C	648,400	98	13
	Information Services	Warrant	Preferred Series C-1	740,832	58	15
Total InXpo, Inc.				1,389,232	156	28
Jab Wireless, Inc. ⁽¹⁴⁾	Information Services	Warrant	Preferred Series A	266,567	265	934
RichRelevance, Inc. ⁽¹⁴⁾	Information Services	Warrant	Preferred Series E	112,612	98	—
Subtotal: Information Services (0.15%)*					577	976
Internet Consumer & Business Services						
Blurb, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Warrant	Preferred Series B	218,684	299	88
	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	180
Total Blurb, Inc.				452,964	935	268
CashStar, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Warrant	Preferred Series C-2	727,272	130	57
Gazelle, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Warrant	Preferred Series A-1	991,288	158	158

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Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	1,521
LightSpeed Retail, Inc. (5)(10)	Internet Consumer & Business Services	Warrant	Preferred Series C	24,561	20	63
Prism Education Group, Inc. (14)	Internet Consumer & Business Services	Warrant	Preferred Series B	200,000	43	—
Progress Financial	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	32
Reply! Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	137,225	320	9
ShareThis, Inc. (14)	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	133
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	430,485	263	93
Tectura Corporation	Internet Consumer & Business Services	Warrant	Preferred Series B-1	253,378	51	—
WaveMarket, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B-1	1,083,779	105	—
Subtotal: Internet Consumer & Business Services (0.36%)*					3,752	2,334

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CONSOLIDATED SCHEDULE OF INVESTMENTS

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Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Media/Content/Info						
Everyday Health, Inc. (pka Waterfront Media, Inc.) ⁽³⁾	Media/Content/Info	Warrant	Common Stock	73,345	\$ 60	\$ 499
Mode Media Corporation ⁽¹⁴⁾	Media/Content/Info	Warrant	Preferred Series D	407,457	482	—
Rhapsody International, Inc. ⁽¹⁴⁾	Media/Content/Info	Warrant	Common Stock	715,755	384	165
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	