

HERCULES TECHNOLOGY GROWTH CAPITAL INC
Form 10-Q
August 06, 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 June 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)

400 Hamilton Ave., Suite 310

743113410
(IRS Employer

Identification No.)
94301

(Zip Code)

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Palo Alto, California

(Address of Principal Executive Offices)

(650) 289-3060

(Registrant's Telephone Number, Including Area Code)

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

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

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

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ Smaller reporting company ☐

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

On August 3, 2015, there were 72,439,850 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 June 30, 2015 (unaudited) and December 31, 2014</u>	3
<u>Consolidated Statement of Operations for the three and six month periods ended June 30, 2015 and 2014 (unaudited)</u>	5
<u>Consolidated Statement of Changes in Net Assets for the three and six month periods ended June 30, 2015 and 2014 (unaudited)</u>	6
<u>Consolidated Statement of Cash Flows for the six month periods ended June 30, 2015 and 2014 (unaudited)</u>	7
<u>Consolidated Schedule of Investments as of June 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>	65
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	105
Item 4. <u>Controls and Procedures</u>	106
<u>PART II. OTHER INFORMATION</u>	107
<u>Legal Proceedings</u>	107

Item 1.

Item 1A. Risk Factors 107

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 109

Item 3. Defaults Upon Senior Securities 109

Item 4. Mine Safety Disclosures 109

Item 5. Other Information 109

Item 6. Exhibits and Financial Statement Schedules 109

SIGNATURES 111

PART I: FINANCIAL INFORMATION

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

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

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

	June 30, 2015	December 31, 2014
Assets		
Investments:		
Non-control/Non-affiliate investments (cost of \$1,245,406 and \$1,019,799, respectively)	\$1,228,202	\$1,012,738
Affiliate investments (cost of \$15,600 and \$15,538, respectively)	10,453	7,999
Total investments, at value (cost of \$1,261,006 and \$1,035,337, respectively)	1,238,655	1,020,737
Cash and cash equivalents	115,987	227,116
Restricted cash	11,810	12,660
Interest receivable	9,226	9,453
Other assets	20,875	29,257
Total assets	\$1,396,553	\$1,299,223
Liabilities		
Accounts payable and accrued liabilities	\$12,977	\$14,101
Long-term Liabilities (Convertible Senior Notes)	17,399	17,345
Wells Facility	49,622	—
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	\$652,862	\$640,359
Net assets consist of:		
Common stock, par value	73	65
Capital in excess of par value	760,148	657,233
Unrealized depreciation on investments ⁽¹⁾	(24,238)	(17,076)
Accumulated realized gains on investments	16,137	14,079
Undistributed net investment income (Distributions in excess of net investment income)	(8,429)	4,563
Total net assets	\$743,691	\$658,864

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Total liabilities and net assets	\$1,396,553	\$1,299,223
Shares of common stock outstanding (\$0.001 par value, 200,000,000 and 100,000,000 authorized, respectively)	72,493	64,715
Net asset value per share	\$10.26	\$10.18

(1) Amounts includes \$1.9 million in net unrealized depreciation on investments, other assets, and accrued liabilities including escrow receivables, estimated taxes payable, and Citigroup warrant participation agreement liabilities. See notes to consolidated financial statements.

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)	June 30, 2015	December 31, 2014
Assets		
Restricted Cash	\$ 11,810	\$ 12,660
Total investments, at value (cost of \$226,338 and \$296,314, respectively)	224,710	291,464
Total assets	\$ 236,520	\$ 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 Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Investment income:				
Interest income				
Non-Control/Non-Affiliate investments	\$35,144	\$30,384	\$65,605	\$59,766
Affiliate investments	96	152	195	1,616
Total interest income	35,240	30,536	65,800	61,382
Fees				
Non-Control/Non-Affiliate investments	2,886	3,454	4,819	8,366
Affiliate investments	—	11	1	23
Total fees	2,886	3,465	4,820	8,389
Total investment income	38,126	34,001	70,620	69,771
Operating expenses:				
Interest	7,571	6,534	15,425	13,682
Loan fees	1,580	1,091	3,093	3,167
General and administrative	4,069	2,126	7,687	4,587
Employee Compensation:				
Compensation and benefits	5,857	3,233	9,653	7,454
Stock-based compensation	2,267	2,466	4,987	4,026
Total employee compensation	8,124	5,699	14,640	11,480
Total operating expenses	21,344	15,450	40,845	32,916
Loss on debt extinguishment (Long-term Liabilities - Convertible Senior Notes)	(1)	—	(1)	—
Net investment income	16,781	18,551	29,774	36,855
Net realized gain (loss) on investments				
Non-Control/Non-Affiliate investments	(1,254)	2,470	2,058	7,343
Total net realized gain (loss) on investments	(1,254)	2,470	2,058	7,343
Net increase in unrealized appreciation (depreciation) on investments				
Non-Control/Non-Affiliate investments	(12,854)	(4,378)	(9,554)	(5,418)
Affiliate investments	79	(3,452)	2,392	(3,404)
Total net unrealized appreciation (depreciation) on investments	(12,775)	(7,830)	(7,162)	(8,822)
Total net realized and unrealized gain (loss)	(14,029)	(5,360)	(5,104)	(1,479)
Net increase in net assets resulting from operations	\$2,752	\$13,191	\$24,670	\$35,376
Net investment income before investment gains and losses per common share:				
Basic	\$0.23	\$0.30	\$0.43	\$0.59

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Change in net assets per common share:

Basic	\$0.03	\$0.21	\$0.35	\$0.57
Diluted	\$0.03	\$0.20	\$0.35	\$0.55

Weighted average shares outstanding

Basic	71,368	61,089	67,596	60,980
Diluted	71,593	62,588	67,901	62,642

Dividends declared per common share:

Basic	\$0.31	\$0.31	\$0.62	\$0.62
-------	--------	--------	--------	--------

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	—	—	—	(8,822)	7,343	36,855	—	35,376
Public offering, net of offering expenses	650	1	9,457	—	—	—	—	9,458
Issuance of common stock due to								
stock option exercises	104	—	1,342	—	—	—	—	1,342
Retired shares from net issuance	(82)	—	(1,237)	—	—	—	—	(1,237)
Issuance of common stock under								
restricted stock plan	982	1	(1)	—	—	—	—	—
Retired shares for restricted stock								
vesting	(285)	—	(2,207)	—	—	—	—	(2,207)
Issuance of common stock as								
stock dividend	45	—	664	—	—	—	—	664
Dividends distributed	—	—	—	—	—	(38,555)	—	(38,555)
Stock-based compensation	—	—	4,061	—	—	—	—	4,061
	63,251	\$ 64	\$ 668,673	\$ (5,224)	\$ (7,897)	\$ 3,635	\$ (342)	\$ 658,909

Balance at June 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	—	—	—	(7,162)	2,058	29,774	—	24,670
Public offering, net of offering expenses	7,591	8	100,084	—	—	—	—	100,092
Issuance of common stock due to								
stock option exercises	36	—	428	—	—	—	—	428
Retired shares from net issuance	(28)	—	(423)	—	—	—	—	(423)
Issuance of common stock under								
restricted stock plan	603	1	(1)	—	—	—	—	—
Retired shares for restricted stock								
vesting	(514)	(1)	(3,399)	—	—	—	—	(3,400)
Issuance of common stock as								
stock dividend	90	—	1,199	—	—	—	—	1,199
Dividends distributed	—	—	—	—	—	(42,766)	—	(42,766)
Stock-based compensation								
	—	—	5,027	—	—	—	—	5,027
Balance at June 30, 2015								
	72,493	\$ 73	\$ 760,148	\$ (24,238)	\$ 16,137	\$ (8,087)	\$ (342)	\$ 743,691

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(dollars in thousands)

	For the Six Months Ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$24,670	\$35,376
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(373,422)	(286,837)
Principal and fee payments received on investments	154,208	204,966
Proceeds from the sale of investments	7,494	10,271
Net unrealized depreciation on investments	7,162	8,822
Net realized gain on investments	(2,058)	(7,343)
Accretion of paid-in-kind principal	(1,584)	(1,337)
Accretion of loan discounts	(3,412)	(5,170)
Accretion of loan discount on Convertible Senior Notes	123	541
Loss on debt extinguishment (Long-term Liabilities - Convertible Senior Notes)	1	—
Payment of loan discount on Convertible Senior Notes	(5)	—
Accretion of loan exit fees	(6,624)	(6,091)
Change in deferred loan origination revenue	1,758	(349)
Unearned fees related to unfunded commitments	1,074	(598)
Amortization of debt fees and issuance costs	2,669	2,889
Depreciation	111	106
Stock-based compensation and amortization of restricted stock grants	5,027	4,061
Change in operating assets and liabilities:		
Interest and fees receivable	227	262
Prepaid expenses and other assets	2,744	(2,410)
Accounts payable	(732)	571
Accrued liabilities	200	(4,849)
Net cash provided by (used in) operating activities	(180,369)	(47,119)
Cash flows from investing activities:		
Purchases of capital equipment	(80)	(57)
Reduction of (investment in) restricted cash	850	2,780
Net cash provided by (used in) investing activities	770	2,723
Cash flows from financing activities:		
Issuance of common stock, net	100,092	9,873
Issuance (retirement) of employee shares	(3,395)	(2,102)
Dividends paid	(41,567)	(37,891)

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Repayments of 2019 Notes Payable	(20,000)	—
Repayments of 2017 Asset-Backed Notes	(16,049)	(43,010)
Repayments of Long-Term SBA Debentures	—	(34,800)
Borrowings of credit facilities	50,000	—
Repayments of credit facilities	(378)	—
Cash Paid for redemption of Convertible Senior Notes	(65)	—
Fees paid for credit facilities and debentures	(168)	(34)
Net cash provided by (used in) financing activities	68,470	(107,964)
Net decrease in cash and cash equivalents	(111,129)	(152,360)
Cash and cash equivalents at beginning of period	227,116	268,368
Cash and cash equivalents at end of period	\$115,987	\$116,008
Supplemental non-cash investing and financing activities:		
Dividends Reinvested	\$1,199	\$664
Paid-in-kind Principal	\$2,012	\$1,365

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 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
Investment							
Communications & Networking							
Less Than 1 Year Maturity							
Peak, Inc. ⁽¹⁰⁾⁽¹²⁾	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%, 7.45% Exit Fee	\$10,440	\$10,788	\$6,300
Total: Communications & Networking							
Cross, 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%, 7.60% Exit Fee	\$22,000	21,781	19,300
Total: 1-5 Years Maturity						32,569	25,600
Total: Communications & Networking						32,569	25,600
Consumer & Business Products							
Less Than 1 Year Maturity							
na79 (p.k.a. Pong Arch Corporation) ⁽¹¹⁾⁽¹³⁾	Consumer & Business Products	Senior Secured	June 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$1,033	1,033	1,000
Total: Under 1 Year Maturity						1,033	1,000
Less Than 1 Year Maturity							
na79 (p.k.a. Pong Arch Corporation) ⁽¹¹⁾⁽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	\$4,892	4,870	4,900
Inc. ⁽⁸⁾	Consumer & Business Products	Convertible Debt	March 2017	Interest rate FIXED 4.00%	\$100	100	—

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Planet, Inc. ⁽¹²⁾	Consumer & Business Products	Senior Secured	November 2017	Interest rate PRIME + 6.20% or Floor rate of 9.45%, 9.45% Exit Fee \$37,500	37,508	37,508
Feat pany ⁽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 \$18,414	18,079	18,079
Total: 1-5 Years Maturity					60,557	60,557
Total: Consumer & Business Products					61,590	61,590
)						
Delivery						
Years Maturity						
Rx Pharmaceuticals, ⁽¹⁰⁾⁽¹²⁾⁽¹³⁾	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%, 4.25% Exit Fee \$22,760	22,964	23,000
Therapeutics, ⁽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	16,009	16,009
Therapeutics, ⁽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	14,893	14,893
quidity porated ⁽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	10,024	10,024
or Pharmaceuticals, ⁽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	14,909	14,909
on poration ⁽¹⁰⁾⁽¹²⁾	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00% or Floor rate of 11.25%, 3.50% Exit Fee \$8,223	8,257	8,300
e Biopharm, ⁽¹²⁾⁽¹³⁾	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40% or Floor rate of 10.65%, 4.00% Exit Fee \$3,321	3,342	3,342
Therapeutics, ⁽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	5,920	5,800
t Corporation ⁽¹²⁾	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.15% or Floor rate of 11.25%, 6.00% Exit Fee \$15,000	14,853	15,000

				Floor rate of 9.40%, 3.85% Exit Fee			
Therapeutics, (2)(13)	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 5.75% or			
				Floor rate of 9.00%, 4.25% Exit Fee	\$5,000	4,898	4,9
	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 7.25% or			
				Floor rate of 10.50%, 4.25% Exit Fee	\$10,000	9,914	10,
	Drug Delivery	Senior Secured	October 2017	Interest rate FIXED 9.00%,			
				2.13% Exit Fee	\$10,000	10,000	9,9
Neos Therapeutics, Inc.					\$25,000	24,812	24,
atrix Inc. (8)(12)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25% or			
				Floor rate of 9.50%, 3.50% Exit Fee	\$7,000	6,786	6,7
	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.70% or			
				Floor rate of 7.95%, 2.87% Exit Fee	\$15,000	14,789	14,
Total: 1-5 Years Maturity						157,558	158
Total: Drug Delivery (21.29%)*						157,558	158

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 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
Discovery & Development							
Under 1 Year Maturity							
Pharmaceuticals, (13)	Drug Discovery & Development	Senior Secured	December 2015	Interest rate PRIME + 7.15% or Floor rate of 11.90%	\$6,018	\$6,018	\$6,018
Pharmaceuticals, (10)	Drug Discovery & Development	Senior Secured	October 2015	Interest rate PRIME + 3.25% or Floor rate of 8.50%	\$2,954	2,950	2,950
ed, Incorporated (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	25,097	25,097
Total: Under 1 Year Maturity						34,065	34,065
1 to 5 Years Maturity							
Pharmaceuticals, (12)(13)	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 6.65% or Floor rate of 11.90%, 5.40% Exit Fee	\$10,000	9,930	9,930
don Corporation (12)(13)	Drug Discovery & Development	Senior Secured	February 2018	Interest rate PRIME + 5.00% or Floor rate of 8.25%, 7.00% Exit Fee	\$10,000	10,193	10,193
ra, Inc. (10)(12)	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 6.30% or Floor rate of 9.55%, 2.00% Exit Fee	\$17,557	17,630	17,630
or Inc. (12)	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 2.50% Exit Fee	\$7,247	7,196	7,196
ean Pharma (2)	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 4.05% or Floor rate of 7.30%, 6.70% Exit Fee	\$15,000	14,860	14,860
land BioLabs, (2)(13)	Drug Discovery & Development	Senior Secured	January 2017	Interest rate LIBOR + 6.20% or Floor rate of 10.45%, 5.50% Exit Fee	\$1,518	1,783	1,783
BioPharma (p.k.a. Cell peutics,	Drug Discovery & Development	Senior Secured	December 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 8.50% Exit Fee	\$20,000	20,588	20,588

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

(10)(12)

Avax Technologies (9)(12)	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 8.40% Exit Fee	\$ 10,000	10,074	10,074
Aspen Pharmaceuticals, (2)	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 3.00% Exit Fee	\$ 15,000	14,672	14,672
Beigene Biosciences, (10)(12)	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 4.00% or Floor rate of 7.25%, 4.95% Exit Fee	\$ 12,000	11,970	11,970
Bitar Pharmaceuticals (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	19,592	19,592
Blackmox Pharmaceuticals, (2)	Drug Discovery & Development	Senior Secured	November 2018	Interest rate PRIME + 7.30% or Floor rate of 10.55%, 3.00% Exit Fee	\$ 40,000	40,569	40,569
Cellular Dynamics, Inc. (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	9,857	9,857
Cellulosex, (2)(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	9,448	9,600
CoreBio (4)(9)(10)(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	19,905	19,905
Curis Corporation (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	19,676	19,676
Total: 1-5 Years Maturity						237,943	238,000
Total: Drug Discovery & Development (36.65%)*						272,008	272,008

Electronics & Computer Hardware
1-5 Years Maturity

Esprit Technologies, (10)(11)	Electronics & Computer Hardware	Senior Secured	October 2016	Interest rate LIBOR + 8.75% or Floor rate of 12.00%, PIK Interest 4.00%	\$ 267	180	—
Total: 1-5 Years Maturity						180	—
Total: Electronics & Computer Hardware (0.00%)*						180	—

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 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							
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	\$2,270	\$2,392	\$2,392
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	\$2,492	2,706	2,706
Stion Corporation ⁽⁵⁾⁽¹²⁾	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.75% or Floor rate of 12.00%, 3.00% Exit Fee	\$3,055	3,055	1,600
Sungevity Development, LLC	Energy Technology	Senior Secured	April 2016	Interest rate PRIME + 3.70% or Floor rate 6.95%	\$17,214	17,214	17,214
TAS Energy, Inc. ⁽¹⁰⁾⁽¹²⁾	Energy Technology	Senior Secured	December 2015	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 1.67% Exit Fee	\$4,153	4,344	4,344
Subtotal: Under 1 Year Maturity						29,711	28,256
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	4,549	4,497
American Superconductor Corporation ⁽¹⁰⁾⁽¹²⁾	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%, 5.00% Exit Fee	\$5,667	6,020	5,965
	Energy Technology	Senior Secured	June 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 5.00% Exit Fee	\$1,500	1,472	1,476
						\$7,167	7,441

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Total American Superconductor Corporation							
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	\$22,909	22,909	23,138
	Energy Technology	Senior Secured	February 2017	Interest rate PRIME + 5.25% or			
				Floor rate of 8.50%, 10.00% Exit Fee	\$4,578	4,578	4,624
Total Amyris, Inc. Modumetal, Inc. ⁽¹²⁾					\$27,487	27,487	27,762
	Energy Technology	Senior Secured	March 2017	Interest rate PRIME + 11.20% or			
				Floor rate of 14.45%, 8.82% Exit Fee	\$2,412	2,534	2,606
Polyera Corporation ⁽¹²⁾⁽¹³⁾	Energy Technology	Senior Secured	April 2018	Interest rate PRIME + 6.70% or			
				Floor rate of 9.95%, 3.45% Exit Fee	\$3,000	2,933	2,933
Proterra, Inc. ⁽¹²⁾	Energy Technology	Senior Secured	June 2018	Interest rate PRIME + 6.95% or			
				Floor rate of 10.20%, 5.95% Exit Fee	\$20,000	19,788	19,788
Sungevity Development, LLC ⁽¹²⁾	Energy Technology	Senior Secured	October 2017	Interest rate PRIME + 3.70% or			
				Floor rate 6.95%, 9.95% Exit Fee	\$25,000	24,397	24,820
Tendril Networks ⁽¹²⁾	Energy Technology	Senior Secured	June 2019	Interest rate FIXED 7.25%,			
				10.45% Exit Fee	\$10,000	9,671	9,671
Subtotal: 1-5 Years Maturity						98,851	99,518
Subtotal: Energy Technology (17.18%)*						128,562	127,774
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	4,820	4,877
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	5,081	5,071
Subtotal: 1-5 Years Maturity						9,901	9,948
Subtotal: Healthcare Services, Other (1.34%)*						9,901	9,948

Under 1 Year Maturity

Eccentex Corporation ⁽¹²⁾⁽¹⁵⁾	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00% or Floor rate of 10.25%, 1.50% Exit Fee	\$13	28	28
Subtotal: Under 1 Year Maturity						28	28

1-5 Years Maturity

INMOBI Inc. ⁽⁴⁾⁽⁹⁾⁽¹¹⁾⁽¹²⁾	Information Services	Senior Secured	December 2016	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$14,612	14,612	14,612
	Information Services	Senior Secured	December 2017	Interest rate PRIME + 5.75% or Floor rate of 9.00%, PIK Interest 2.50%, 4.00% Exit Fee	\$15,203	15,196	15,225
Total INMOBI Inc.						\$29,815	29,808
InXpo, Inc. ⁽¹²⁾⁽¹³⁾	Information Services	Senior Secured	October 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%, 3.00% Exit Fee	\$1,713	1,736	1,740
Subtotal: 1-5 Years Maturity						31,544	31,577
Subtotal: Information Services (4.25%)*						31,572	31,605

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2015

(unaudited)

(dollars in thousands)

		Type of			Principal	
Sub-Industry	Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Amount	Cost	
Internet Consumer & Business Services						
Internet Consumer & Business Services	Senior Secured	March 2016	Interest rate LIBOR + 12.50% or Floor rate of 12.50%, PIK Interest 1.50%	\$20,719	\$20,719	
Internet Consumer & Business Services	Senior Secured	December 2015	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$437	\$437	
Internet Consumer & Business Services	Convertible Debt	April 2016	Interest rate FIXED 10.00%	\$429	\$429	
Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%	\$8,770	\$8,770	
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%	\$5,000	\$5,000	
Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$6,468	\$6,468	
Total				\$20,801	\$20,801	
Year Maturity						
Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%	\$2,001	\$2,001	
Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%	\$8,004	\$8,004	
Internet Consumer & Business Services	Senior Secured	July 2017	Interest rate PRIME + 7.00% or	\$13,736	\$13,736	

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Internet Consumer & Business Services	Senior Secured	February 2017	Floor rate of 10.25%, PIK Interest 2.50%			
			Interest rate PRIME + 8.25% or			
Internet Consumer & Business Services	Senior Secured	May 2018	Floor rate of 11.50%, 3.00% Exit Fee		\$15,000	14
			Interest rate PRIME + 3.25% or			
Internet Consumer & Business Services	Senior Secured	April 2018	Floor rate of 6.50%		\$5,000	4,
			Interest rate PRIME + 8.50% or			
Internet Consumer & Business Services	Senior Secured	March 2019	Floor rate of 11.75%, 5.90% Exit Fee		\$25,000	24
			Interest rate PRIME + 4.25% or			
Internet Consumer & Business Services	Senior Secured	March 2019	Floor rate of 7.50%		\$6,240	5,
			PIK Interest 2.00%		\$5,964	5,
					\$12,204	11
(12) Internet Consumer & Business Services	Senior Secured	July 2018	Interest rate PRIME + 6.50% or			
			Floor rate of 9.75%, 0.50% Exit Fee		\$20,000	19
(12) Internet Consumer & Business Services	Senior Secured	March 2017	Interest rate PRIME + 6.50% or			
			Floor rate of 9.75%, 1.00% Exit Fee		\$236	23
s Maturity						99
Consumer & Business Services (16.78%)*						14
p, Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 7.25% or			
			Floor rate of 10.50%, PIK Interest 3.75%		\$1,521	1,
Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 5.25% or			
			Floor rate of 8.50%		\$5,060	5,
Group, Inc.					\$6,581	6,
Year Maturity						6,
Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 3.50% or			
			Floor rate of 6.75%, PIK Interest 3.00%		\$30,018	29
Media/Content/Info	Senior Secured	April 2018	Interest rate PRIME + 5.25% or			
			Floor rate of 9.00%, PIK interest 1.50%		\$19,392	19
s Maturity						48
Content/Info (7.38%)*						54

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 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⁾
Medical Devices & Equipment							
Under 1 Year Maturity							
Medrobotics 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	\$1,657	\$1,791	\$1,791
SonaCare Medical, LLC (p.k.a. US HIFU, LLC) ⁽¹²⁾	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 6.80% Exit Fee	\$729	1,113	1,113
Subtotal: Under 1 Year Maturity						2,904	2,904
1-5 Years Maturity							
Amedica Corporation ⁽⁸⁾⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 7.25% Exit Fee	\$20,000	20,131	17,015
Aspire Bariatrics, Inc. ⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	April 2018	Interest rate PRIME + 6.00% or Floor rate of 9.25%, 8.04% Exit Fee	\$4,000	3,675	3,675
Avedro, Inc. ⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	June 2018	Interest rate PRIME + 6.00% or Floor rate of 9.25%, 3.50% Exit Fee	\$12,500	12,190	12,030
Flowonix Medical Incorporated ⁽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	14,865	14,936
Gamma 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	3,942	3,944
InspireMD, Inc. ⁽⁴⁾⁽⁹⁾⁽¹²⁾	Medical Devices &	Senior Secured	February 2017	Interest rate PRIME + 7.25% or	\$6,963	7,205	7,150

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

	Equipment			Floor rate of 10.50%, 5.00% Exit Fee			
Contact 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	9,833	9,845
Quanterix 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	9,903	9,963
SynergEyes, Inc. ⁽¹²⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 4.80% Exit Fee	\$5,000	5,143	5,118
Subtotal: 1-5 Years Maturity						86,887	83,676
Subtotal: Medical Devices & Equipment (11.64%)*						89,791	86,580
Semiconductors							
1-5 Years Maturity							
Achronix 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	4,929	4,929
Avnera 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	7,442	7,535
Subtotal: 1-5 Years Maturity						12,371	12,464
Subtotal: Semiconductors (1.68%)*						12,371	12,464

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2015

(unaudited)

(dollars in thousands)

		Type of					
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Software							
Under 1 Year Maturity							
CareCloud Corporation ⁽¹³⁾	Software	Senior Secured	July 2015	Interest rate PRIME + 1.40% or			
				Floor rate of 4.65%	\$3,000	\$3,000	\$3,000
Clickfox, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	August 2015	Interest rate PRIME + 8.75% or			
				Floor rate of 12.00%, 5.00%			
				Exit Fee	\$3,000	3,108	3,108
	Software	Senior Secured	July 2015	Interest rate PRIME + 6.75% or			
				Floor rate of 10.00%	\$2,000	2,000	2,000
Total Clickfox, Inc.					\$5,000	5,108	5,108
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 Geosolutions, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	May 2016	Interest rate PRIME + 5.75% or			
				Floor rate of 10.50%, 4.25%			
				Exit Fee	\$1,552	1,701	1,701
Subtotal: Under 1 Year Maturity						10,809	10,809
1-5 Years Maturity							
CareCloud Corporation ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	July 2017	Interest rate PRIME + 5.50% or			
				Floor rate of 8.75%, 12.00%			
				Exit Fee	\$3,000	2,966	2,947
	Software	Senior Secured	July 2017	Interest rate PRIME + 5.50% or			
				Floor rate of 8.75%, 2.95%			
				Exit Fee	\$10,000	9,934	9,932
	Software	Senior Secured	January 2018	Interest rate PRIME + 1.70% or			
				Floor rate of 4.95%, 2.95%			
				Exit Fee	\$3,000	2,971	2,949
	Software	Senior Secured	December 2017	Interest rate PRIME + 3.25% or	\$202	206	204

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

				Floor rate of 6.50%, 12.00% Exit Fee			
Total Carecloud Corporation					\$ 16,202	16,077	16,032
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	5,930	5,724
Druva, Inc. ⁽¹²⁾	Software	Senior Secured	March 2018	Interest rate PRIME + 4.60% or			
				Floor rate of 7.85%, 6.50% Exit Fee	\$ 9,000	8,961	8,961
JumpStart Games, Inc. (p.k.a. Knowledge Adventure, Inc.) ⁽⁷⁾⁽¹¹⁾⁽¹²⁾⁽¹³⁾⁽¹⁶⁾	Software	Senior Secured	March 2018	Interest rate PRIME + 8.25% or			
				Floor rate of 11.50%, PIK Interest 6.50%, 5.07% Exit Fee	\$ 12,803	12,903	7,089
Message Systems, Inc. ⁽¹³⁾	Software	Senior Secured	February 2019	Interest rate PRIME + 7.25% or			
				Floor rate of 10.50%	\$ 17,500	17,030	17,030
				Interest rate PRIME + 2.75% or			
				Floor rate of 6.00%	\$ 1,618	1,618	1,618
Total Message Systems, Inc.					\$ 19,118	18,648	18,648
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	\$ 2,273	2,310	2,333
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	4,943	4,943
Soasta, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	February 2018	Interest rate PRIME + 2.25% or			
				Floor rate of 5.50%, 0.81% Exit Fee	\$ 3,500	3,391	3,391
				Interest rate PRIME + 4.75% or			
				Floor rate of 8.00%, 0.81% Exit Fee	\$ 15,000	14,527	14,527
Total Soasta, Inc.					\$ 18,500	17,918	17,918
Sonian, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	July 2017	Interest rate PRIME + 7.00% or			
				Floor rate of 10.25%, 2.00% Exit Fee	\$ 4,548	4,551	4,552
StrongView Systems, Inc. ⁽¹¹⁾⁽¹²⁾	Software	Senior Secured	December 2017	Interest rate PRIME + 6.00% or			
				Floor rate of 9.25%, PIK Interest 3.00%, 3.00% Exit Fee	\$ 10,152	9,982	9,982
Touchcommerce, Inc. ⁽¹²⁾⁽¹³⁾	Software	Senior Secured	February 2018	Interest rate PRIME + 6.00% or	\$ 7,000	6,793	6,863

				Floor Rate of 10.25%, 3.43%		
				Exit Fee		
Software	Senior Secured	August 2016		Interest rate PRIME + 2.25% or		
				Floor Rate of 6.50%	\$4,811	4,811
					4,732	
Total Touchcommerce, Inc.					\$11,811	11,604
Subtotal: 1-5 Years Maturity						11,595
						113,827
Subtotal: Software (15.95%)*						107,777
						124,636
						118,586

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 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							
Under 1 Year Maturity							
Infomed Pharmaceuticals, Inc. ⁽¹⁰⁾⁽¹¹⁾⁽¹³⁾	Specialty Pharmaceuticals	Senior Secured	August 2015	Interest rate LIBOR + 8.25% or Floor rate of 9.50%	\$1,100	\$1,100	\$1,100
Total: Under 1 Year Maturity						1,100	1,100
1-5 Years Maturity							
Amgen Sciences, Inc. ⁽¹⁰⁾	Specialty Pharmaceuticals	Senior Secured	May 2018	Interest rate PRIME + 7.65% or Floor rate of 10.90%	\$35,000	34,316	33,959
Infomed Pharmaceuticals, Inc. ⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾⁽¹³⁾	Specialty Pharmaceuticals	Senior Secured	February 2017	Interest rate LIBOR + 9.55% or Floor rate of 10.80%, PIK Interest 1.35%, 1.75% Exit Fee	\$12,518	12,609	12,658
Total: 1-5 Years Maturity						46,925	46,617
Total: Specialty Pharmaceuticals ^{(12.2%)*}						48,025	47,717
Medical Devices							
Under 1 Year Maturity							
Gynesonics, Inc. ⁽¹³⁾	Surgical Devices	Convertible Debt	December 2015	Interest rate FIXED 8.00%	\$14	14	14
	Surgical Devices	Convertible Debt	December 2015	Interest rate FIXED 8.00%	\$51	51	51
Alkermes, Inc.					\$65	65	65
Alkermes, Inc.	Surgical Devices	Senior Secured	November 2015	Interest rate FIXED 12.95%	\$4,963	4,942	4,942
Total: Under 1 Year Maturity						5,007	5,007
Total: Surgical Devices ^{(17.7%)*}						5,007	5,007
Total Debt Investments (152.97%)*						1,170,621	1,137,6

See notes to consolidated financial statements.

14

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 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	\$529
Subtotal: Biotechnology Tools (0.07%)*					500	529
Communications & Networking						
GlowPoint, Inc. ⁽³⁾	Communications & Networking	Equity	Common Stock	114,192	102	93
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	5,965
Subtotal: Communications & Networking (0.81%)*					1,102	6,058
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	—	230
Total: Market Force Information, Inc.				668,231	500	233
Subtotal: Consumer & Business Products (0.03%)*					500	233
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	209
Subtotal: Diagnostic (0.03%)*					750	209
Drug Delivery						
	Drug Delivery	Equity		54,240	108	230

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

AcelRx Pharmaceuticals, Inc. (3)(9)(13)			Common Stock			
Edge Therapeutics, Inc.	Drug Delivery	Equity	Preferred Series C-2	215,053	1,000	1,072
Merrion Pharmaceuticals, Plc (3)(4)(9)	Drug Delivery	Equity	Common Stock	20,000	9	—
Neos Therapeutics, Inc. (13)(17)	Drug Delivery	Equity	Preferred Series C	300,000	1,500	1,902
Subtotal: Drug Delivery (0.43%)*					2,617	3,204
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc. (3)(9)(13)	Drug Discovery & Development	Equity	Common Stock	167,864	842	292
Cerecor Inc.	Drug Discovery & Development	Equity	Preferred Series B	3,334,445	1,000	639
Cerulean Pharma Inc. (3)	Drug Discovery & Development	Equity	Common Stock	135,501	1,000	623
Dicerna Pharmaceuticals, Inc. (3)(13)	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	1,993
Epirus Biopharmaceuticals, Inc. (3)	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	1,143
Genocea Biosciences, Inc. (3)	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	3,068
Inotek Pharmaceuticals Corporation (3)	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	19
Insmed, Incorporated (3)	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	1,728
Melinta Therapeutics	Drug Discovery & Development	Equity	Preferred Series 4	957,224	1,000	1,010
Paratek Pharmaceuticals, Inc. (p.k.a.						
Transcept Pharmaceuticals, Inc.) (3)	Drug Discovery & Development	Equity	Common Stock	31,580	1,744	813
Subtotal: Drug Discovery & Development (1.52%)*					12,086	11,328
Electronics & Computer Hardware						
Identiv, Inc. (3)	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	39
Subtotal: Electronics & Computer Hardware (0.01%)*					34	39
Energy Technology						
Glori Energy, Inc. (3)	Energy Technology	Equity	Common Stock	18,208	165	26
Modumetal, Inc.	Energy Technology	Equity	Preferred Series C	3,107,520	500	500
SCIEnergy, Inc.	Energy Technology	Equity	Preferred Series 1	385,000	761	21

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Subtotal: Energy Technology (0.07%)* 1,426 547

Information Services

Good Technology Corporation (p.k.a. Visto Corporation) ⁽¹³⁾	Information Services	Equity	Common Stock	500,000	603	584
Subtotal: Information Services (0.08%)*					603	584

Internet Consumer & Business Services

Blurb, Inc. ⁽¹³⁾	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	283
Lightspeed POS, Inc. ⁽⁴⁾⁽⁹⁾	Internet Consumer & Business Services	Equity	Preferred Series C	23,003	250	280
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	356
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	251
Total: Oportun (p.k.a. Progress Financial)				306,153	500	607
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	35
Taptera, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	454,545	150	182
Subtotal: Internet Consumer & Business Services (0.19%)*					1,183	1,387

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Medical Devices & Equipment						
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series E	221,893	\$ 1,500	\$ 2,048
Gelesis, Inc. ⁽⁵⁾⁽¹³⁾	Medical Devices & Equipment	Equity	Common Stock	198,202	—	657
	Medical Devices & Equipment	Equity	Preferred Series A-1	674,208	425	736
	Medical Devices & Equipment	Equity	Preferred Series A-2	675,676	500	685
Total: Gelesis, Inc.				1,548,086	925	2,078
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	541
Medrobotics Corporation ⁽¹³⁾	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	160
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	176
Total: Medrobotics Corporation				210,769	405	336
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	545
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	163
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	5,695
Total: Optiscan Biomedical, Corp.				63,216,799	8,912	6,403
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Equity	Preferred Series 1	1,086,969	500	375
Subtotal: Medical Devices & Equipment (1.58%)*					13,769	11,781

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Software

Atrenta, Inc.	Software	Equity	Preferred Series C	1,196,845	986	1,639
	Software	Equity	Preferred Series D	1,028,183	959	1,550
Total: Atrenta, Inc.				2,225,028	1,945	3,189
Box, Inc. ⁽³⁾⁽¹³⁾	Software	Equity	Common Stock	1,464,747	5,818	27,303
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	84
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	653
	Software	Equity	Preferred Series E	80,587	131	168
Total: ForeScout Technologies, Inc.				399,686	529	821
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	233
NewVoiceMedia Limited ⁽⁴⁾⁽⁹⁾	Software	Equity	Preferred Series E	669,173	963	1,010
WildTangent, Inc. ⁽¹³⁾	Software	Equity	Preferred Series 3	100,000	402	238
Subtotal: Software (4.42%)*					10,015	32,878

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	105
	Surgical Devices	Equity	Preferred Series C	656,538	282	197
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	1,088
Total: Gynesonics, Inc.				2,866,993	1,244	1,390
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	217
	Surgical Devices	Equity	Preferred Series C	119,999	300	149
	Surgical Devices	Equity	Preferred Series D	260,000	650	661
Total: Transmedics, Inc.				468,960	2,050	1,027

Subtotal: Surgical Devices (0.33%)*	3,294	2,417
Total: Equity Investments (9.57%)*	48,629	71,194

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 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	\$ 421
Subtotal: Biotechnology Tools (0.06%)*					323	421
Communications & Networking						
Intelepeer, Inc. ⁽¹³⁾	Communications & Networking	Warrant	Preferred Series C	117,958	102	—
OpenPeak, Inc.	Communications & Networking	Warrant	Common Stock	108,982	148	—
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	81
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	608
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	234
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	181
Subtotal: Communications & Networking (0.15%)*					1,270	1,104
Consumer & Business Products						
Antenna79 (p.k.a. Pong Research Corporation) ⁽¹³⁾	Consumer & Business Products	Warrant	Preferred Series A	1,662,441	228	28
Intelligent Beauty, Inc. ⁽¹³⁾	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	272
IronPlanet, Inc.	Consumer & Business Products	Warrant	Preferred Series D	1,155,821	1,076	1,092
Market Force Information, Inc.		Warrant		150,212	25	10

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

	Consumer & Business Products		Preferred Series A-1			
The Neat Company ⁽¹³⁾	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	280
Subtotal: Consumer & Business Products (0.23%)*					1,924	1,682
Diagnostic						
Navidea Biopharmaceuticals, Inc. (p.k.a. Neoprobe) ⁽³⁾⁽¹³⁾	Diagnostic	Warrant	Common Stock	333,333	244	42
Subtotal: Diagnostic (0.01%)*					244	42
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹³⁾	Drug Delivery	Warrant	Common Stock	176,730	786	231
Agile Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	180,274	730	607
BIND Therapeutics, Inc. ⁽³⁾⁽¹³⁾	Drug Delivery	Warrant	Common Stock	152,586	488	77
BioQuiddity Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	—
Celator Pharmaceuticals, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	210,675	138	106
Celsion Corporation ⁽³⁾	Drug Delivery	Warrant	Common Stock	194,986	428	68
Dance Biopharm, Inc. ⁽¹³⁾	Drug Delivery	Warrant	Preferred Series A	97,701	74	60
Edge Therapeutics, Inc.	Drug Delivery	Warrant	Preferred Series C-1	107,526	390	303
Egalet Corporation ⁽³⁾	Drug Delivery	Warrant	Common Stock	113,421	130	853
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,313
Neos Therapeutics, Inc. ⁽¹³⁾⁽¹⁷⁾	Drug Delivery	Warrant	Preferred Series C	170,000	285	332
Pulmatrix Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	25,150	116	85
Revance Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	53,511	557	460
ZP Opco, Inc. (p.k.a. Zosano Pharma) ⁽³⁾	Drug Delivery	Warrant	Common Stock	72,379	265	130
Subtotal: Drug Delivery (0.62%)*					4,982	4,625

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Development						
ADMA Biologics, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	89,750	\$ 295	\$ 239
Anthera Pharmaceuticals, Inc. ⁽³⁾⁽¹³⁾	Drug Discovery & Development	Warrant	Common Stock	40,178	984	4
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹³⁾	Drug Discovery & Development	Warrant	Common Stock	608,696	194	380
Cerecor Inc.	Drug Discovery & Development	Warrant	Preferred Series B	625,208	70	15
Cerulean Pharma Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	137,521	357	203
Chroma Therapeutics, Ltd. ⁽⁴⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	—
Cleveland BioLabs, Inc. ⁽³⁾⁽¹³⁾	Drug Discovery & Development	Warrant	Common Stock	7,813	105	9
Concert Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	70,796	367	216
Coronado Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	73,009	142	61
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	292,398	166	163
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹³⁾	Drug Discovery & Development	Warrant	Common Stock	200	28	—
Epirus Biopharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	64,194	276	209
Genocea Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	73,725	266	466
Horizon Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	3,735	52	51
Melinta Therapeutics	Drug Discovery & Development	Warrant	Preferred Series 3	1,151,936	603	362
Nanotherapeutics, Inc. ⁽¹³⁾	Drug Discovery & Development	Warrant	Common Stock	171,389	838	2,788

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Neothetics, Inc. (p.k.a. Lithera, Inc) (3)(13)	Drug Discovery & Development	Warrant	Common Stock	46,838	266	143
Neuralstem, Inc. (3)(13)	Drug Discovery & Development	Warrant	Common Stock	75,187	77	43
Paratek Pharmaceutcals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) (3)	Drug Discovery & Development	Warrant	Common Stock	5,121	87	2
uniQure B.V. (3)(4)(9)	Drug Discovery & Development	Warrant	Common Stock	37,174	218	447
XOMA Corporation (3)(9)(13)	Drug Discovery & Development	Warrant	Common Stock	181,268	279	291
Subtotal: Drug Discovery & Development (0.82%)*					6,160	6,092

Electronics & Computer Hardware

Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	7
Subtotal: Electronics & Computer Hardware (0.00%)*					12	7

Energy Technology

Agrivida, Inc. (13)	Energy Technology	Warrant	Preferred Series D	471,327	120	162
Alphabet Energy, Inc.(13)	Energy Technology	Warrant	Preferred Series A	86,329	82	162
American Superconductor Corporation (3)	Energy Technology	Warrant	Common Stock	58,823	39	51
Brightsource Energy, Inc. (13)	Energy Technology	Warrant	Preferred Series 1	175,000	780	119
Calera, Inc. (13)	Energy Technology	Warrant	Preferred Series C	44,529	513	—
EcoMotors, Inc.(13)	Energy Technology	Warrant	Preferred Series B	437,500	308	154
Fluidic, Inc.	Energy Technology	Warrant	Preferred Series D	61,804	102	28
Fulcrum Bioenergy, Inc.	Energy Technology	Warrant	Preferred Series C-1	280,897	275	102
GreatPoint Energy, Inc.(13)	Energy Technology	Warrant	Preferred Series D-1	393,212	548	—
Polyera Corporation (13)	Energy Technology	Warrant	Preferred Series C	311,609	338	509
Proterra, Inc.	Energy Technology	Warrant	Preferred Series 4	318,345	21	140
SCIEnergy, Inc.	Energy Technology	Warrant	Common Stock	530,811	181	—
	Energy Technology	Warrant	Preferred Series 1	145,811	50	—
Total: SCIEnergy, Inc.				676,622	231	—
Scifiniti (p.k.a. Integrated Photovoltaics, Inc.) (13)	Energy Technology	Warrant	Preferred Series A-1	390,000	82	66
Solexel, Inc.(13)	Energy Technology	Warrant	Preferred Series C	1,171,625	1,162	517

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Stion Corporation ⁽⁵⁾	Energy Technology	Warrant	Preferred Series Seed	2,154	1,378	—
Sungevity Development, LLC	Energy Technology	Warrant	Preferred Series C	32,472,222	902	1,012
TAS Energy, Inc.	Energy Technology	Warrant	Preferred Series AA	428,571	299	—
Tendril Networks	Energy Technology	Warrant	Preferred Series 3-A	679,862	111	111
TPI Composites, Inc.	Energy Technology	Warrant	Preferred Series B	160	273	241
Trilliant, Inc. ⁽¹³⁾	Energy Technology	Warrant	Preferred Series A	320,000	162	20
Subtotal: Energy Technology (0.46%)*					7,726	3,394
Healthcare Services, Other						
Chromadex Corporation ⁽³⁾⁽¹³⁾	Healthcare Services, Other	Warrant	Common Stock	419,020	157	181
Subtotal: Healthcare Services, Other (0.02%)*					157	181

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Information Services						
Cha Cha Search, Inc. ⁽¹³⁾	Information Services	Warrant	Preferred Series G	48,232	\$58	\$ 6
INMOBI Inc. ⁽⁴⁾⁽⁹⁾	Information Services	Warrant	Common Stock	46,874	82	24
InXpo, Inc. ⁽¹³⁾	Information Services	Warrant	Preferred Series C	648,400	98	10
	Information Services	Warrant	Preferred Series C-1	873,599	64	13
Total: InXpo, Inc.				1,521,999	162	23
RichRelevance, Inc. ⁽¹³⁾	Information Services	Warrant	Preferred Series E	112,612	98	—
Subtotal: Information Services (0.01%)*					400	53
Internet Consumer & Business Services						
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series E	119,846	37	36
Blurb, Inc. ⁽¹³⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	188
CashStar, Inc. ⁽¹³⁾	Internet Consumer & Business Services	Warrant	Preferred Series C-2	727,272	130	51
Gazelle, Inc. ⁽¹³⁾	Internet Consumer & Business Services	Warrant	Preferred Series A-1	991,288	158	94
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	1,356
Lightspeed POS, Inc. ⁽⁴⁾⁽⁹⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	24,561	20	73
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	97
Prism Education Group, Inc. ⁽¹³⁾	Internet Consumer & Business Services	Warrant	Preferred Series B	200,000	43	—
ReachLocal ⁽³⁾		Warrant		177,304	155	191

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

	Internet Consumer & Business Services		Common Stock			
ShareThis, Inc. ⁽¹³⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	266
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	103
Tectura Corporation	Internet Consumer & Business Services	Warrant	Preferred Series B-1	253,378	51	—
Subtotal: Internet Consumer & Business Services (0.33%)*					3,273	2,455
Media/Content/Info						
Machine Zone, Inc.	Media/Content/Info	Warrant	Common Stock	73,756	918	848
Rhapsody International, Inc. ⁽¹³⁾	Media/Content/Info	Warrant	Common Stock	715,755	384	220
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	110
Subtotal: Media/Content/Info (0.16%)*					1,650	1,178
Medical Devices & Equipment						
Amedica Corporation ⁽³⁾⁽¹³⁾	Medical Devices & Equipment	Warrant	Common Stock	516,129	459	—
Aspire Bariatrics, Inc. ⁽¹³⁾	Medical Devices & Equipment	Warrant	Preferred Series D	335,000	419	426
Avedro, Inc. ⁽¹³⁾	Medical Devices & Equipment	Warrant	Preferred Series D	1,308,451	401	228
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series E	110,947	203	460
Gamma Medica, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	357,500	170	183
Gelesis, Inc. ⁽⁵⁾⁽¹³⁾	Medical Devices & Equipment	Warrant	Preferred Series A-1	263,688	78	157
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	245
InspireMD, Inc. ⁽³⁾⁽⁴⁾⁽⁹⁾	Medical Devices & Equipment	Warrant	Common Stock	168,351	242	2
Medrobotics Corporation ⁽¹³⁾	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	199
MELA Sciences, Inc. ⁽³⁾	Medical Devices & Equipment	Warrant	Common Stock	69,320	402	2
nContact Surgical, Inc. ⁽¹³⁾	Medical Devices & Equipment	Warrant	Preferred Series D-1	201,439	266	555
NetBio, Inc.	Medical Devices & Equipment	Warrant	Common Stock	2,568	408	38
NinePoint Medical, Inc. ⁽¹³⁾	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	294
Novasys Medical, Inc.	Medical Devices & Equipment	Warrant	Common Stock	109,449	2	—

	Medical Devices & Equipment	Warrant	Preferred Series D	526,840	125	—
	Medical Devices & Equipment	Warrant	Preferred Series D-1	53,607	6	—
Total: Novasys Medical, Inc.				689,896	133	—
Optiscan Biomedical, Corp. (5)(13)	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,252	215
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Warrant	Common Stock	954	66	—
	Medical Devices & Equipment	Warrant	Preferred Series 1	1,632,084	676	87
Total: Oraya Therapeutics, Inc.				1,633,038	742	87
Quanterix Corporation	Medical Devices & Equipment	Warrant	Preferred Series C	115,618	156	107
SonaCare Medical, LLC (p.k.a. US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	6,464	188	—
ViewRay, Inc. ⁽¹³⁾⁽¹⁷⁾	Medical Devices & Equipment	Warrant	Preferred Series C	43,103	333	306
Subtotal: Medical Devices & Equipment (0.47%)*					6,794	3,504

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Semiconductors						
Achronix Semiconductor Corporation ⁽¹³⁾	Semiconductors	Warrant	Preferred Series C	360,000	\$ 160	\$ 22
	Semiconductors	Warrant	Preferred Series D-1	500,000	6	6
Total: Achronix Semiconductor Corporation				860,000	166	28
Aquantia Corp.	Semiconductors	Warrant	Preferred Series G	196,831	4	8
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	141,567	47	34
Subtotal: Semiconductors (0.01%)*					217	70
Software						
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	—
CareCloud Corporation ⁽¹³⁾	Software	Warrant	Preferred Series B	413,433	258	581
Clickfox, Inc. ⁽¹³⁾	Software	Warrant	Preferred Series B	1,038,563	330	648
	Software	Warrant	Preferred Series C	592,019	730	439
	Software	Warrant	Preferred Series C-A	46,109	13	29
Total: Clickfox, Inc.				1,676,691	1,073	1,116
Daegis Inc. (p.k.a. Unify Corporation) ⁽³⁾⁽¹³⁾	Software	Warrant	Common Stock	718,860	1,434	3
Hillcrest Laboratories, Inc. ⁽¹³⁾	Software	Warrant	Preferred Series E	1,865,650	55	135
JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.) ⁽¹³⁾	Software	Warrant	Preferred Series E	614,333	16	—
Message Systems, Inc. ⁽¹³⁾	Software	Warrant	Preferred Series B	408,011	334	386

Edgar Filing: HERCULES TECHNOLOGY GROWTH CAPITAL INC - Form 10-Q

Mobile Posse, Inc. ⁽¹³⁾	Software	Warrant	Preferred Series C	396,430	130	61
Neos Geosolutions, Inc. ⁽¹³⁾	Software	Warrant	Preferred Series 3	221,150	22	185
NewVoiceMedia Limited ⁽⁴⁾⁽⁹⁾	Software	Warrant	Preferred Series E	225,586	33	46
Poplicus Incorporated ⁽¹³⁾	Software	Warrant	Preferred Series C	2,595,230	—	90
Soasta, Inc. ⁽¹³⁾	Software	Warrant	Preferred Series E	410,800	691	636
Sonian, Inc. ⁽¹³⁾	Software	Warrant	Preferred Series C	185,949	106	45
StrongView Systems, Inc.	Software	Warrant	Preferred Series C	551,470	168	221
Touchcommerce, Inc. ⁽¹³⁾	Software	Warrant	Preferred Series E	1,885,930	361	228
Subtotal: Software (0.50%)*					4,869	3,733

Specialty Pharmaceuticals

Alimera Sciences, Inc. ⁽³⁾	Specialty Pharmaceuticals	Warrant	Common Stock	285,016	729	423
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Warrant	Preferred Series E	155,324	307	—
Subtotal: Specialty Pharmaceuticals (0.06%)*					1,036	423

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Surgical Devices						
Gynesonics, Inc. ⁽¹³⁾	Surgical Devices	Warrant	Preferred Series C	180,480	\$75	\$51
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	582
Total: Gynesonics, Inc.				1,756,445	395	633
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	224	4
	Surgical Devices	Warrant	Preferred Series D	175,000	100	241
Total: Transmedics, Inc.				215,436	324	245
Subtotal: Surgical Devices (0.12%)*					719	878
Total: Warrant Investments (4.01%)*					41,756	29,842
Total Investments (166.55%)*					\$1,261,006	\$1,238,655

* Value as a percent of net assets

(1) Preferred and common stock, warrants, and equity interests are generally non-income producing.

(2) Gross unrealized appreciation, gross unrealized depreciation, and net depreciation for federal income tax purposes totaled \$45.7 million, \$68.8 million and \$23.1 million respectively. The tax cost of investments is \$1.3 billion.

(3) Except for warrants in 35 publicly traded companies and common stock in 14 publicly traded companies, all investments are restricted at June 30, 2015 and were valued at fair value as determined in good faith by the Audit Committee of the Board of Directors. No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.

(4) Non-U.S. company or the company's principal place of business is outside the United States.

(5) Affiliate investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 5% but not more than 25% of the voting securities of the company.

(6) Control investment that is defined under the Investment Company Act of 1940 as companies in which HTGC owns at least 25% of the voting securities of the company or has greater than 50% representation on its board. There were no control investments at June 30, 2015.

(7) Debt is on non-accrual status at June 30, 2015, and is therefore considered non-income producing.

(8) Denotes that all or a portion of the debt investment is convertible debt.

(9) Indicates assets that the Company deems not "qualifying assets" under section 55(a) of the Investment Company Act of 1940, as amended. Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets.

(10) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).

(11)

Denotes that all or a portion of the debt investment principal includes accumulated PIK, or payment-in-kind, interest and is net of repayments.

(12) Denotes that all or a portion of the debt investment includes an exit fee receivable.

(13) Denotes that all or a portion of the investment in this portfolio company is held by HT II or HT III, the Company's wholly-owned SBIC subsidiaries.

(14) The stated 'Maturity Date' for the Tectura assets reflects the last extension of the forbearance period on these loans. The borrower loans remain outstanding and management is continuing to work with the borrower to satisfy the obligations. The Company's investment team and Investment Committee continue to closely monitor developments at the borrower company.

(15) Repayment of debt investment is delinquent within 60 days of the contractual maturity date as of June 30, 2015.

(16) The stated PIK interest rate may be reduced to 1.50% subject to achievement of a milestone by the portfolio company.

(17) Subsequent to June 30, 2015, this company completed an initial public offering or alternative public offering. Note that the June 30, 2015 fair value does not reflect any potential impact of the conversion of our preferred shares to common shares which may include reverse splits associated with the offering.

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2014

(dollars in thousands)

Portfolio		Type of	Principal				
Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Debt Investments							
Biotechnology Tools							
1-5 Years Maturity							
Labcyte, Inc. (10)(12)(13)	Biotechnology Tools	Senior Secured	June 2016	Interest rate PRIME + 6.70%			
				or Floor rate of 9.95%	\$ 2,695	\$2,869	\$ 2,869
Subtotal: 1-5 Years Maturity						2,869	2,869
Subtotal: Biotechnology Tools							
(0.44%)*						2,869	2,869
Communications & Networking							