

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

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For The Quarterly Period Ended June 30, 2014

OR

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

Commission File Number: 814-00702

HERCULES TECHNOLOGY GROWTH

CAPITAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Jurisdiction of
Incorporation or Organization)

743113410
(IRS Employer
Identification No.)
94301

400 Hamilton Ave., Suite 310 (Zip Code)

Palo Alto, California

(Address of Principal Executive Offices)

(650) 289-3060

(Registrant's Telephone Number, Including Area Code)

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

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

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

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

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

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

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, 2014 (unaudited) and December 31, 2013</u>	3
<u>Consolidated Statement of Operations for the three and six month periods ended June 30, 2014 and 2013 (unaudited)</u>	5
<u>Consolidated Statement of Changes in Net Assets for the three and six month periods ended June 30, 2014 and 2013 (unaudited)</u>	6
<u>Consolidated Statement of Cash Flows for the six month periods ended June 30, 2014 and 2013 (unaudited)</u>	7
<u>Consolidated Schedule of Investments as of June 30, 2014 (unaudited)</u>	8
<u>Consolidated Schedule of Investments as of December 31, 2013</u>	22
<u>Notes to Consolidated Financial Statements (unaudited)</u>	36
<u>Management's Discussion and Analysis of Financial</u>	
Item 2. <u>Condition and Results of Operations</u>	62
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	97
Item 4. <u>Controls and Procedures</u>	97
	99

PART II. OTHER INFORMATION

Item 1. <u>Legal Proceedings</u>	99
<u>Item 1A. Risk Factors</u>	99
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	100
Item 3. <u>Defaults Upon Senior Securities</u>	100
Item 4. <u>Mine Safety Disclosures</u>	100
Item 5. <u>Other Information</u>	100
Item 6. <u>Exhibits</u>	100
<u>SIGNATURES</u>	101

PART I: FINANCIAL INFORMATION

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

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

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

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

See notes to consolidated financial statements.

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

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(in thousands, except per share data)

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

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

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

(dollars and shares in thousands)

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

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

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(dollars in thousands)

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

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

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

Consumer & Business Products

1-5 Years Maturity

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

Drug Delivery

Under 1 Year

Maturity

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

1-5 Years Maturity

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

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

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

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

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

Electronics & Computer Hardware
1-5 Years Maturity

Plures Technologies, Inc. ⁽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	179	—
Subtotal: 1-5 Years Maturity						179	—
						179	—

Subtotal: Electronics & Computer
Hardware (0.00%)*

Energy Technology

Under 1 Year

Maturity

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

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

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

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

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

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

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

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

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

Services + 5.75%
or Floor
rate of
9.50%

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

Medical Devices & Equipment

1-5 Years Maturity

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

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

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

1-5 Years Maturity

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

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

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

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

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

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

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

Drug Discovery & Development

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

Energy Technology

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

Information Services

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

Internet Consumer & Business Services

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

Subtotal: Internet Consumer & Business Services (0.09%)*	518	563
---	-----	-----

See notes to consolidated financial statements.

14

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

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

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

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

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

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

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

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

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

	Electronics & Computer Hardware		Common Stock			
Subtotal: Electronics & Computer Hardware (0.07%)*					259	454
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	148
American Superconductor Corporation ⁽³⁾	Energy Technology	Warrant	Common Stock	512,820	391	138
Brightsource Energy, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series 1	175,000	780	321
Calera, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	44,529	513	—
EcoMotors, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series B	437,500	308	438
Fluidic, Inc.	Energy Technology	Warrant	Preferred Series C	59,665	102	78
Fulcrum Bioenergy, Inc.	Energy Technology	Warrant	Preferred Series C-1	280,897	275	151
GreatPoint Energy, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series D-1	393,212	548	—
Polyera Corporation ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	161,575	69	147
Propel Fuels ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	3,200,000	211	240
SCIEnergy, Inc.	Energy Technology	Warrant	Common Stock	530,811	181	—
	Energy Technology	Warrant	Preferred Series 1	145,811	50	1
Total SCIEnergy				676,622	231	1
Scifiniti (pka Integrated Photovoltaics, Inc.) ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series A-1	390,000	82	75
Solexel, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series C	1,171,625	1,162	541
Stion Corporation ⁽⁶⁾⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series Seed	2,154	1,377	—
TAS Energy, Inc.	Energy Technology	Warrant	Preferred Series F	428,571	299	265
TPI Composites, Inc.	Energy Technology	Warrant	Preferred Series B	160	273	252
Trilliant, Inc. ⁽¹⁴⁾	Energy Technology	Warrant	Preferred Series A	320,000	162	89
Subtotal: Energy Technology (0.44%)*					6,984	2,884
Healthcare Services, Other						
MDEverywhere, Inc.	Healthcare Services, Other	Warrant	Common Stock	129	94	30

Subtotal: Healthcare Services, Other (0.00%)*	94	30
See notes to consolidated financial statements.		

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Information Services						
Cha Cha Search, Inc. ⁽¹⁴⁾	Information Services	Warrant	Preferred Series G	48,232	\$ 58	\$ 11
InXpo, Inc. ⁽¹⁴⁾	Information Services	Warrant	Preferred Series C	648,400	98	37
	Information Services	Warrant	Preferred Series C-1	740,832	58	43
Total InXpo, Inc.				1,389,232	156	80
Jab Wireless, Inc. ⁽¹⁴⁾	Information Services	Warrant	Preferred Series A	266,567	265	927
RichRelevance, Inc. ⁽¹⁴⁾	Information Services	Warrant	Preferred Series E	112,612	98	—
Subtotal: Information Services (0.15%)*					577	1,018
Internet Consumer & Business Services						
Blurb, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Warrant	Preferred Series B	218,684	299	73
	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	147
Total Blurb, Inc.				452,964	935	220
CashStar, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Warrant	Preferred Series C-2	727,272	130	69
Gazelle, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Warrant	Preferred Series D	151,827	165	—
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	1,439
LightSpeed Retail, Inc. ⁽⁵⁾⁽¹⁰⁾	Internet Consumer & Business Services	Warrant	Preferred Series B	26,346	20	16
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	44
Reply! Inc.		Warrant		137,225	320	215

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

	Internet Consumer & Business Services		Preferred Series B			
ShareThis, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	546	195
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	18
Subtotal: Internet Consumer & Business Services (0.34%)*					3,495	2,216

Media/Content/Info

Everyday Health, Inc. (pka Waterfront Media, Inc.) ⁽³⁾	Media/Content/Info	Warrant	Common Stock	73,345	60	747
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	258
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	249
Subtotal: Media/Content/Info (0.19%)*					1,274	1,254

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Medical Devices & Equipment						
Amedica Corporation ⁽³⁾	Medical Devices & Equipment	Warrant	Common Stock	516,129	\$459	\$ 488
Baxano Surgical, Inc. ⁽³⁾	Medical Devices & Equipment	Warrant	Common Stock	882,353	439	97
Gelesis, Inc. ⁽⁶⁾⁽¹⁴⁾	Medical Devices & Equipment	Warrant	LLC Interest	263,688	78	2
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	300,000	245	274
InspireMD, Inc. ⁽³⁾⁽⁵⁾⁽¹⁰⁾	Medical Devices & Equipment	Warrant	Common Stock	168,351	242	189
Medrobotics Corporation ⁽¹⁴⁾	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	261
MELA Sciences, Inc. ⁽³⁾	Medical Devices & Equipment	Warrant	Common Stock	693,202	401	19
NetBio, Inc.	Medical Devices & Equipment	Warrant	Common Stock	2,568	408	138
NinePoint Medical, Inc. ⁽¹⁴⁾	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	204
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. ⁽⁶⁾⁽¹⁴⁾	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,253	167
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Warrant	Common Stock	954	66	—
	Medical Devices & Equipment	Warrant	Preferred Series 1	1,632,084	676	—
Total Oraya Therapeutics				1,633,038	742	—
Quanterix Corporation		Warrant		69,371	103	100

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

	Medical Devices & Equipment		Preferred Series C			
SonaCare Medical, LLC (pka US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	409,704	188	152
United Orthopedic Group, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	423,076	608	543
ViewRay, Inc. ⁽¹⁴⁾	Medical Devices & Equipment	Warrant	Preferred Series C	312,500	333	293
Subtotal: Medical Devices & Equipment (0.44%)*					6,172	2,927

Semiconductors

Achronix Semiconductor Corporation	Semiconductors	Warrant	Preferred Series C	360,000	160	14
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	102,958	14	18
SiTime Corporation ⁽¹⁴⁾	Semiconductors	Warrant	Preferred Series G	195,683	24	2
Subtotal: Semiconductors (0.01%)*					198	34

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2014

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Software						
Atrenta, Inc.	Software	Warrant	Preferred Series D	392,670	\$ 121	\$ 431
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	—
CareCloud Corporation	Software	Warrant	Preferred Series B	413,433	258	276
Central Desktop, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series B	522,769	108	275
Clickfox, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series B	1,038,563	329	306
	Software	Warrant	Preferred Series C	592,019	730	251
	Software	Warrant	Preferred Series C-A	46,109	14	14
Total Clickfox				1,676,691	1,073	571
Daegis Inc. (pka Unify Corporation) ⁽³⁾⁽¹⁴⁾	Software	Warrant	Common Stock	718,860	1,433	73
ForeScout Technologies, Inc.	Software	Warrant	Preferred Series E	80,587	41	83
Hillcrest Laboratories, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series E	1,865,650	54	118
Knowledge Holdings, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series E	550,781	15	12
Mobile Posse, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series C	396,430	130	91
Neos Geosolutions, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series 3	221,150	22	—
Sonian, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series C	185,949	106	66
SugarSync, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series CC	332,726	78	72
	Software	Warrant	Preferred Series DD	107,526	34	25

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

Total SugarSync, Inc.				440,252	112	97
Touchcommerce, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series E	992,595	252	115
White Sky, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series B-2	124,295	54	2
WildTangent, Inc. ⁽¹⁴⁾	Software	Warrant	Preferred Series 3	100,000	238	56
Subtotal: Software (0.34%)*					4,205	2,266
Specialty Pharmaceuticals						
Alimera Sciences, Inc. ⁽³⁾	Specialty Pharmaceuticals	Warrant	Common Stock	171,010	466	468
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Warrant	Preferred Series E	155,324	307	—
Subtotal: Specialty Pharmaceuticals (0.07%)*					773	468
Surgical Devices						
Gynesonics, Inc. ⁽¹⁴⁾	Surgical Devices	Warrant	Preferred Series C	180,480	74	32
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	411
Total Gynesonics				1,756,445	394	443
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	4
	Surgical Devices	Warrant	Preferred Series D	175,000	100	328
Total Transmedics, Inc				215,436	325	332
Subtotal: Surgical Devices (0.12%)*					719	775
Total Warrant (3.50%)*					35,591	23,036
Total Investments (150.53%)*					\$995,577	\$991,345

See notes to consolidated financial statements.

20

* 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 \$47.4 million, \$53.9 million and \$6.6 million respectively. The tax cost of investments is \$992.8 million.
- (3) Except for warrants in twenty-seven publicly traded companies and common stock in ten publicly traded companies, all investments are restricted at June 30, 2014 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) Debt investments of this portfolio company have been pledged as collateral under the Wells Facility.
- (5) Non-U.S. company or the company's principal place of business is outside the United States.
- (6) 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.
- (7) 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.
- (8) Debt is on non-accrual status at June 30, 2014, and is therefore considered non-income producing.
- (9) Denotes that all or a portion of the debt investment is convertible senior debt.
- (10) 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.
- (11) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).
- (12) Denotes that all or a portion of the debt investment principal includes accumulated PIK, or paid-in-kind, interest and is net of repayments.
- (13) Denotes that all or a portion of the debt investment includes an exit fee receivable.
- (14) 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.

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Debt							
Biotechnology Tools							
1-5 Years Maturity							
Labcyte, Inc. ⁽¹¹⁾	Biotechnology Tools	Senior Secured	June 2016	Interest rate PRIME + 6.70% or Floor rate of 9.95%	\$4,270	\$4,323	\$4,289
Subtotal: 1-5 Years Maturity						4,323	4,289
Subtotal: Biotechnology Tools (0.66%)*						4,323	4,289
Energy Technology							
Under 1 Year Maturity							
American Superconductor Corporation ⁽³⁾⁽¹¹⁾	Energy Technology	Senior Secured	December 2014	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$4,615	4,991	4,991
Brightsource Energy, Inc.	Energy Technology	Senior Secured	January 2014	Interest rate Prime + 8.25% or Floor rate of 11.50%	\$15,000	15,886	15,886
Enphase Energy, Inc. ⁽¹¹⁾	Energy Technology	Senior Secured	June 2014	Interest rate PRIME + 5.75% or Floor rate of 9.00%	\$1,315	1,358	1,358
Subtotal: Under 1 Year Maturity						22,236	22,236
1-5 Years Maturity							
Agrivida, Inc.	Energy Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$6,000	5,887	5,770
American Superconductor Corporation ⁽³⁾⁽¹¹⁾	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$10,000	9,801	9,801
APTwater, Inc	Energy Technology	Senior Secured	April 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%, PIK Interest 2.75%	\$18,085	17,874	17,874
BioAmber, Inc. ⁽⁵⁾⁽¹⁰⁾	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$25,000	25,298	25,798
Enphase Energy, Inc. ⁽¹¹⁾	Energy Technology	Senior Secured	August 2016	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$7,400	7,422	7,314

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

Fluidic, Inc.	Energy Technology	Senior Secured	March 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$5,000	4,922	4,922
Fulcrum Bioenergy, Inc. ⁽¹¹⁾	Energy Technology	Senior Secured	November 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$10,000	9,944	9,694
Glori Energy, Inc. ⁽¹¹⁾	Energy Technology	Senior Secured	June 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$5,333	5,457	5,414
Polyera Corporation	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$5,809	5,797	5,686
SCIEnergy, Inc. ⁽⁴⁾	Energy Technology	Senior Secured	September 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$4,448	4,596	4,685
Scifiniti (pka Integrated Photovoltaics, Inc.)	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 7.38% or Floor rate of 10.63%	\$1,463	1,443	1,429
Stion Corporation. ⁽⁴⁾⁽⁶⁾	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$4,571	4,005	4,096
TAS Energy, Inc.	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$15,000	15,277	15,421
	Energy Technology	Senior Secured	February 2015	Interest rate PRIME + 6.25% or Floor rate of 9.50%	\$4,503	4,374	4,338
Total TAS Energy, Inc.						19,651	19,760
TPI Composites, Inc.	Energy Technology	Senior Secured	June 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$15,000	14,888	14,889
Subtotal: 1-5 Years Maturity						136,985	137,131
Subtotal: Energy Technology (24.52%)* ⁽¹³⁾						159,221	159,367
Communications & Networking							
1-5 Years Maturity							
OpenPeak, Inc. ⁽¹¹⁾	Communications & Networking	Senior Secured	July 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$10,029	10,714	10,814
Spring Mobile Solutions, Inc.	Communications & Networking	Senior Secured	November 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$20,000	19,682	19,875
Subtotal: 1-5 Years Maturity						30,396	30,690
Subtotal: Communications & Networking (4.72%)*						30,396	30,690

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Drug Delivery							
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%	\$ 15,000	\$ 14,556	\$ 15,006
BIND Therapeutics, Inc. ⁽³⁾	Drug Delivery	Senior Secured	September 2016	Interest rate Prime + 7.00% or Floor rate of 10.25%	\$ 4,500	4,407	4,458
Celsion Corporation ⁽³⁾	Drug Delivery	Senior Secured	June 2017	Interest rate Prime + 8.00% or Floor rate of 11.25%	\$ 5,000	4,897	4,897
Dance Biopharm, Inc.	Drug Delivery	Senior Secured	August 2017	Interest rate PRIME + 7.4% or Floor rate of 10.65%	\$ 1,000	974	974
Intelliject, Inc. ⁽¹¹⁾	Drug Delivery	Senior Secured	June 2016	Interest rate PRIME + 5.75% or Floor rate of 11.00%	\$ 15,000	15,150	15,450
NuPathe, Inc. ⁽³⁾	Drug Delivery	Senior Secured	May 2016	Interest rate Prime - 3.25% or Floor rate of 9.85%	\$ 5,749	5,629	5,744
Revanche Therapeutics, Inc.	Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	\$ 9,798	10,032	9,943

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

Drug Delivery	Senior Secured	March 2015	Interest rate PRIME + 6.60% or Floor rate of 9.85%	\$ 980	1,011	994
Total Revance Therapeutics, Inc.					11,043	10,937
Subtotal: 1-5 Years Maturity					56,655	57,466
Subtotal: Drug Delivery (8.84%)*					56,655	57,466

Drug Discovery & Development

1-5 Years Maturity

ADMA Biologics, Inc. ⁽³⁾	Drug Discovery & Development	Senior Secured	April 2016	Interest rate Prime + 2.75% or Floor rate of 8.50%	\$ 5,000	4,956	4,892
Anacor Pharmaceuticals, Inc.	Drug Discovery & Development	Senior Secured	July 2017	Interest rate PRIME + 6.40% or Floor rate of 11.65%	\$ 30,000	29,083	29,810
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾⁽¹¹⁾	Drug Discovery & Development	Senior Secured	September 2015	Interest rate PRIME + 7.15% or Floor rate of 11.90%	\$ 19,396	19,396	19,590
Cell Therapeutics, Inc. ⁽³⁾⁽¹¹⁾	Drug Discovery & Development	Senior Secured	October 2016	Interest rate Prime + 9.00% or Floor rate of 12.25%	\$ 15,000	14,750	15,200
Cempra, Inc. ⁽³⁾⁽¹¹⁾	Drug Discovery & Development	Senior Secured	June 2017	Interest rate PRIME + 6.30% or Floor rate of 9.55%	\$ 15,000	14,795	14,550
Cleveland BioLabs, Inc. ⁽³⁾	Drug Discovery & Development	Senior Secured	January 2017	Interest rate PRIME + 6.20% or Floor rate of 10.45%	\$ 6,000	5,909	5,909
Concert Pharmaceuticals, Inc. ⁽⁴⁾	Drug Discovery & Development	Senior Secured	October 2015	Interest rate PRIME + 3.25% or Floor rate of 8.50%	\$ 15,091	14,933	14,649
Coronado Biosciences, Inc. ⁽³⁾⁽¹¹⁾	Drug Discovery & Development	Senior Secured	March 2016	Interest rate PRIME + 6.00% or Floor rate of 9.25%	\$ 13,654	13,720	13,449

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

Dicerna Pharmaceuticals, Inc.	Drug Discovery & Development	Senior Secured	January 2015	Interest rate PRIME + 4.40% or Floor rate of 10.15%	\$ 5,026	4,991	4,981
Insmed, Incorporated ⁽¹¹⁾	Drug Discovery & Development	Senior Secured	January 2016	Interest rate PRIME + 4.75% or Floor rate of 9.25%	\$ 20,000	19,708	19,535
Merrimack Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Senior Secured	November 2016	Interest rate PRIME + 5.30% or Floor rate of 10.55%	\$ 40,000	40,314	39,455
Neuralstem, Inc. ⁽³⁾	Drug Discovery & Development	Senior Secured	June 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 8,000	7,874	8,035
Paratek Pharmaceuticals, Inc.	Drug Discovery & Development	Senior Secured	N/A	Interest rate Fixed 10.00%	\$ 36	36	—
	Drug Discovery & Development	Senior Secured	N/A	Interest rate Fixed 10.00%	\$ 45	45	—
	Drug Discovery & Development	Senior Secured	N/A	N/A	\$ 28	28	—
Total Paratek Pharmaceuticals, Inc.					\$ 109	109	—
uniQure B.V. ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾	Drug Discovery & Development	Senior Secured	October 2016	Interest rate PRIME + 8.60% or Floor rate of 11.85%	\$ 10,000	9,695	9,818
Subtotal: 1-5 Years Maturity						200,232	199,872
Subtotal: Drug Discovery & Development (30.75%)*						200,232	199,872

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Electronics & Computer Hardware							
1-5 Years Maturity							
Clustrix, Inc.	Electronics & Computer Hardware	Senior Secured	December 2015	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$ 524	\$ 526	\$ 526
Identive Group, Inc. ⁽³⁾⁽¹¹⁾	Electronics & Computer Hardware	Senior Secured	November 2015	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 5,938	5,696	5,755
OCZ Technology Group, Inc.	Electronics & Computer Hardware	Senior Secured	April 2016	Interest rate Prime + 8.75% or Floor rate of 12.50%, PIK Interest 3.00%	\$ 1,221	1,221	1,221
Plures Technologies, Inc. ⁽³⁾	Electronics & Computer Hardware	Senior Secured	October 2016	Interest rate Prime + 12.75% or Floor rate of 16.00%, PIK Interest 4.00%	\$ 2,046	1,958	1,458
Subtotal: 1-5 Years Maturity						9,400	8,959
Subtotal: Electronics & Computer Hardware (1.38%)*						9,400	8,959
Healthcare Services, Other							
1-5 Years Maturity							
InstaMed Communications, LLC	Healthcare Services, Other	Senior Secured	December 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%	\$ 3,000	2,979	2,979
MDEverywhere, Inc.	Healthcare Services, Other	Senior Secured	June 2016	Interest rate LIBOR + 9.50% or Floor rate of 10.75%	\$ 2,000	1,875	1,907
Orion Healthcorp, Inc.	Healthcare Services, Other	Senior Secured	June 2017	Interest rate LIBOR + 10.50% or Floor rate of 12.00%,	\$ 6,591	6,467	6,413

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

				PIK Interest 3.00%			
	Healthcare Services, Other	Senior Secured	June 2017	Interest rate LIBOR + 9.50% or Floor rate of 11.00%	\$ 9,000	8,838	8,445
	Healthcare Services, Other	Senior Secured	June 2016	Interest rate LIBOR + 8.25% or Floor rate of 9.50%	\$ 500	465	461
Total Orion Healthcorp, Inc.					\$ 16,091	15,769	15,318
Pacific Child & Family Associates, LLC	Healthcare Services, Other	Senior Secured	January 2015	Interest rate LIBOR + 9.00% or Floor rate of 11.50%	\$ 1,946	2,017	1,988
	Healthcare Services, Other	Senior Secured	January 2015	Interest rate LIBOR + 11.00% or Floor rate of 14.00%, PIK interest 3.75%	\$ 6,836	6,867	6,833
Total Pacific Child & Family Associates, LLC					\$ 8,782	8,884	8,822
Subtotal: 1-5 Years Maturity						29,508	29,025
Subtotal: Healthcare Services, Other (4.47%)*						29,508	29,025
Information Services							
1-5 Years Maturity							
Eccentex Corporation ⁽¹¹⁾	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$ 657	658	185
InXpo, Inc.	Information Services	Senior Secured	April 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$ 2,550	2,489	2,384
Jab Wireless, Inc.	Information Services	Senior Secured	November 2017	Interest rate Libor + 6.75% or Floor rate of 8.00%	\$ 30,000	29,822	29,822
	Information Services	Senior Secured	November 2017	Interest rate Prime + 6.75% or Floor rate of 8.00%	\$ 2,000	1,996	1,996
Total Jab Wireless, Inc.					\$ 32,000	31,818	31,818
Womensforum.com ⁽¹¹⁾	Information Services	Senior Secured	October 2016	Interest rate LIBOR + 7.50% or Floor rate of 10.25%, PIK Interest 2.00%	\$ 4,607	4,536	4,127
		Senior Secured			\$ 6,900	6,793	6,470

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

Information Services	October 2016	Interest rate LIBOR + 6.50% or Floor rate of 9.25%				
Information Services	Senior Secured	April 2015	Interest rate LIBOR + 6.50% or Floor rate of 9.00%	\$ 1,250	1,227	1,156
Total Womensforum.com				\$ 12,757	12,556	11,754
Subtotal: 1-5 Years Maturity					47,521	46,140
Subtotal: Information Services (7.10%)*					47,521	46,140

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Internet Consumer & Business Services							
Under 1 Year Maturity							
Gazelle, Inc.	Internet Consumer & Business Services	Senior Secured	October 2014	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$2,137	\$2,115	\$2,115
Tectura Corporation ⁽⁸⁾	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$6,468	6,467	3,566
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%	\$10,777	10,777	5,943
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$563	563	310
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$5,000	5,000	2,757
Total Tectura Corporation					\$22,807	22,806	12,576
Subtotal: Under 1 Year Maturity						24,921	14,691
1-5 Years Maturity							
Blurb, Inc.	Internet Consumer & Business Services	Senior Secured	December 2015	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$6,351	6,216	6,054
CashStar, Inc.	Internet Consumer & Business Services	Senior Secured	June 2016	Interest rate Prime + 6.25% or Floor rate 10.50%, PIK Interest 1.00%	\$4,018	3,944	3,916
Education Dynamics, LLC	Internet Consumer & Business Services	Senior Secured	March 2016	Interest rate Libor + 12.5% or Floor rate 12.50%, PIK Interest 1.5%	\$24,685	24,284	23,582
Gazelle, Inc.	Internet Consumer & Business Services	Senior Secured	April 2016	Interest rate Prime + 7.00% or Floor rate of 10.25%, PIK Interest 2.50%	\$12,365	12,283	12,128
Just Fabulous, Inc.	Internet Consumer & Business Services	Senior Secured	February 2017	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$5,000	4,842	4,842
NetPlenish ⁽⁸⁾	Internet Consumer &	Senior Secured	September 2015	Interest rate FIXED 10.00%	\$383	375	—

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

	Business Services							
	Internet Consumer & Business Services	Senior Secured	April 2015	Interest rate FIXED 10.00%				
					\$97	97	—	
Total NetPlenish Reply! Inc. ⁽¹¹⁾					\$480	472	—	
	Internet Consumer & Business Services	Senior Secured	February 2016	Interest rate PRIME + 7.25% or Floor rate of 10.50%, PIK Interest 2.00%	\$3,031	3,051	3,034	
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate Prime + 6.88% or Floor rate of 10.13%, PIK Interest 2.00%	\$9,169	9,086	9,169	
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate Prime + 7.25% or Floor rate of 11.00%, PIK Interest 2.00%	\$2,020	2,044	2,070	
Total Reply! Inc. ShareThis, Inc.					\$14,220	14,181	14,273	
	Internet Consumer & Business Services	Senior Secured	June 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$14,578	14,160	14,160	
	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate LIBOR + 7.00% or Floor rate of 8.50%	\$7,897	7,927	7,525	
	Internet Consumer & Business Services	Senior Secured	September 2016	Interest rate LIBOR + 8.50% or Floor rate of 10.00%, PIK interest 2.50%	\$7,949	7,898	7,397	
Total VaultLogix, LLC					\$15,847	15,826	14,923	
WaveMarket, Inc. ⁽¹¹⁾	Internet Consumer & Business Services	Senior Secured	September 2015	Interest rate Prime + 5.75% or Floor rate of 9.50%	\$10,000	9,940	9,665	
Subtotal: 1-5 Years Maturity						106,148	103,545	
Subtotal: Internet Consumer & Business Services (18.19%)*						131,069	118,236	

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Media/Content/Info							
Under 1 Year Maturity							
Zoom Media Group, Inc.	Media/Content/Info	Senior Secured	December 2014	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$4,000	\$3,858	\$3,858
Subtotal: Under 1 Year Maturity						3,858	3,858
1-5 Years Maturity							
Zoom Media Group, Inc.	Media/Content/Info	Senior Secured	December 2015	Interest rate PRIME + 7.25% and PIK + 3.75% or Floor rate of 10.50%	\$4,288	4,122	4,071
Subtotal: 1-5 Years Maturity						4,122	4,071
Subtotal: Media/Content/Info (1.22%)*						7,981	7,929
Medical Devices & Equipment							
Under 1 Year Maturity							
Oraya Therapeutics, Inc. ⁽⁹⁾⁽¹¹⁾	Medical Devices & Equipment	Senior Secured	December 2014	Interest rate Fixed 7.00%	\$500	500	500
Subtotal: Under 1 Year Maturity						500	500
1-5 Years Maturity							
Baxano Surgical, Inc. ⁽³⁾	Medical Devices & Equipment	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 12.5%	\$7,500	7,222	7,222
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Senior Secured	April 2017	Interest rate PRIME + 6.35% or Floor rate of 9.60%	\$10,000	9,732	9,732
InspireMD, Inc. ⁽³⁾⁽⁵⁾⁽¹⁰⁾	Medical Devices & Equipment	Senior Secured	February 2017	Interest rate PRIME + 5.00% or Floor rate of 10.50%	\$10,000	9,696	9,696
Medrobotics Corporation	Medical Devices & Equipment	Senior Secured	March 2016	Interest rate PRIME + 7.85% or Floor rate of 11.10%	\$4,561	4,489	4,454
NetBio, Inc.	Medical Devices & Equipment	Senior Secured	August 2017	Interest rate PRIME + 5.00% or	\$5,000	4,788	4,788

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

				Floor rate of 11.00%			
NinePoint Medical, Inc.	Medical Devices & Equipment	Senior Secured	January 2016	Interest rate PRIME + 5.85% or Floor rate of 9.10%	\$5,946	5,911	5,794
Oraya Therapeutics, Inc. ⁽⁹⁾⁽¹¹⁾	Medical Devices & Equipment	Senior Secured	September 2015	Interest rate PRIME + 5.50% or Floor rate of 10.25%	\$7,064	6,980	7,162
SonaCare Medical, LLC (pka US HIFU, LLC) ⁽¹¹⁾	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$5,667	5,754	5,818
United Orthopedic Group, Inc.	Medical Devices & Equipment	Senior Secured	July 2016	Interest rate PRIME + 8.60% or Floor rate of 11.85%	\$25,000	24,647	25,166
ViewRay, Inc.	Medical Devices & Equipment	Senior Secured	June 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%, PIK Interest 1.50%	\$15,000	14,489	14,489
Subtotal: 1-5 Years Maturity						93,707	94,320
Subtotal: Medical Devices & Equipment (14.59%)*						94,206	94,819

Semiconductors

1-5 Years Maturity

Achronix Semiconductor Corporation	Semiconductors	Senior Secured	January 2015	Interest rate PRIME + 10.60% or Floor rate of 13.85%	\$1,032	1,023	1,006
SiTime Corporation	Semiconductors	Senior Secured	September 2016	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$3,500	3,473	3,473
Subtotal: 1-5 Years Maturity						4,495	4,479
Subtotal: Semiconductors (0.69%)*						4,495	4,479

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Software							
Under 1 Year Maturity							
Clickfox, Inc.	Software	Senior Secured	September 2014	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$ 2,000	\$ 1,979	\$ 1,979
StartApp, Inc.	Software	Senior Secured	December 2014	Interest rate PRIME + 2.75% or Floor rate of 6.00%	\$ 200	191	191
Touchcommerce, Inc.	Software	Senior Secured	December 2014	Interest rate Prime + 2.25% or Floor rate of 6.50%	\$ 3,111	3,071	2,970
Subtotal: Under 1 Year Maturity						5,241	5,140
1-5 Years Maturity							
Clickfox, Inc.	Software	Senior Secured	November 2015	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$ 5,842	5,530	5,530
Hillcrest Laboratories, Inc.	Software	Senior Secured	July 2015	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$ 2,660	2,630	2,604
Mobile Posse, Inc.	Software	Senior Secured	December 2016	Interest rate PRIME + 7.50% or Floor rate of 10.75%	\$ 4,000	3,876	3,879
Neos Geosolutions, Inc.	Software	Senior Secured	May 2016	Interest rate Prime + 5.75% or	\$ 3,771	3,808	3,705

				Floor rate of 10.50%			
Sonian, Inc.	Software	Senior Secured	July 2017	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$ 5,500	5,332	5,332
StartApp, Inc.	Software	Senior Secured	March 2017	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 2,500	2,507	2,498
Touchcommerce, Inc.	Software	Senior Secured	June 2017	Interest rate Prime + 6.00% or Floor rate of 10.25%	\$ 5,000	4,688	4,767
Subtotal: 1-5 Years Maturity						28,372	28,315
Subtotal: Software (5.15%)*						33,613	33,455
Specialty Pharmaceuticals							
1-5 Years Maturity							
Rockwell Medical, Inc.	Specialty Pharmaceuticals	Senior Secured	March 2017	Interest rate PRIME + 9.25% or Floor rate of 12.50%	\$ 20,000	20,055	20,055
Subtotal: 1-5 Years Maturity						20,055	20,055
Subtotal: Specialty Pharmaceuticals (3.09%)*						20,055	20,055
Surgical Devices							
1-5 Years Maturity							
Transmedics, Inc. ⁽¹¹⁾	Surgical Devices	Senior Secured	November 2015	Interest rate FIXED 12.95%	\$ 7,250	7,207	7,207
Subtotal: 1-5 Years Maturity						7,207	7,207
Subtotal: Surgical Devices (1.11%)*						7,207	7,207
Total Debt (126.46%)*						835,882	821,988

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Equity						
Biotechnology Tools						
NuGEN Technologies, Inc.	Biotechnology Tools	Equity	Preferred Series C	189,394	\$ 500	\$ 687
Subtotal: Biotechnology Tools (0.11%)*					500	687
Communications & Networking						
GlowPoint, Inc. ⁽³⁾	Communications & Networking	Equity	Common Stock	114,192	102	157
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	3,621
Stoke, Inc.	Communications & Networking	Equity	Preferred Series E	152,905	500	224
Subtotal: Communications & Networking (0.62%)*					1,602	4,002
Consumer & Business Products						
Caivis Acquisition Corporation	Consumer & Business Products	Equity	Common Stock	295,861	819	598
IPA Holdings, LLC	Consumer & Business Products	Equity	LLC Interest	500,000	500	676
Market Force Information, Inc.	Consumer & Business Products	Equity	Preferred Series B	187,970	500	285
Subtotal: Consumer & Business Products (0.24%)*					1,819	1,559
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	750
Subtotal: Diagnostic (0.12%)*					750	750
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾	Drug Delivery	Equity	Common Stock	89,243	178	1,009
	Drug Delivery	Equity	Common Stock	20,000	9	—

Merrion
Pharmaceuticals,
Plc⁽³⁾⁽⁵⁾⁽¹⁰⁾

NuPathe, Inc. ⁽³⁾	Drug Delivery	Equity	Common Stock	50,000	146	164
Transcept Pharmaceuticals, Inc. ⁽³⁾	Drug Delivery	Equity	Common Stock			
				41,570	500	140
Subtotal: Drug Delivery (0.20%)*					833	1,313

Drug Discovery & Development

Acceleron Pharma, Inc. ⁽³⁾	Drug Discovery &Development	Equity	Common Stock	256,410	1,505	9,286
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾	Drug Discovery &Development	Equity	Common Stock	167,864	842	307
Dicerna Pharmaceuticals, Inc. ⁽¹²⁾	Drug Discovery &Development	Equity	Preferred Series B	20,107	503	228
	Drug Discovery &Development	Equity	Preferred Series C	142,858	1,000	1,055
Total Dicerna Pharmaceuticals, Inc.				162,965	1,503	1,283
Inotek Pharmaceuticals Corporation	Drug Discovery &Development	Equity	Common Stock	15,334	1,500	—
Merrimack Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery &Development	Equity	Common Stock	546,448	2,000	2,912
Paratek Pharmaceuticals, Inc.	Drug Discovery &Development	Equity	Common Stock	85,450	5	—
	Drug Discovery &Development	Equity	Preferred Series H	244,158	1,000	—
Total Paratek Pharmaceuticals, Inc.				329,608	1,005	—
Subtotal: Drug Discovery & Development (2.12%)*					8,355	13,788

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Information Services						
Buzznet, Inc.	Information Services	Equity	Preferred Series C	263,158	\$ 250	\$ —
Good Technologies, Inc. (pka Visto Corporation)	Information Services	Equity	Common Stock	500,000	603	—
Subtotal: Information Services (0.00%)*					853	—
Internet Consumer & Business Services						
Blurb, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	444
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	8,121	92	—
Progress Financial	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	280
Trulia, Inc. ⁽³⁾	Internet Consumer & Business Services	Equity	Common Stock	29,340	141	1,035
Subtotal: Internet Consumer & Business Services (0.27%)*					658	1,759
Media/Content/Info						
Everyday Health, Inc. (pka Waterfront Media, Inc.)	Media/Content/Info	Equity	Preferred Series D	145,590	1,000	425
Subtotal: Media/Content/Info (0.07%)*					1,000	425
Medical Devices & Equipment						
Gelesis, Inc. ⁽⁶⁾	Medical Devices & Equipment	Equity	LLC Interest	2,024,092	925	466
Medrobotics Corporation	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	269
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	—
Optiscan Biomedical, Corp. ⁽⁶⁾	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	411
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	135

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

	Medical Devices & Equipment	Equity	Preferred Series D	41,352,489	3,945	4,006
Total Optiscan Biomedical, Corp.				49,465,365	7,600	4,552
Subtotal: Medical Devices & Equipment (0.81%)*					9,775	5,287
Software						
Atrenta, Inc.	Software	Equity	Preferred Series C	1,196,845	986	1,607
	Software	Equity	Preferred Series D	635,513	508	1,088
Total Atrenta, Inc.				1,832,358	1,494	2,695
Box, Inc.	Software	Equity	Preferred Series C	390,625	500	7,031
	Software	Equity	Preferred Series D	158,133	500	2,846
	Software	Equity	Preferred Series D-1	124,511	1,000	2,241
	Software	Equity	Preferred Series D-2	220,751	2,001	3,974
	Software	Equity	Preferred Series E	38,183	500	687
Total Box, Inc.				932,203	4,501	16,779
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	94
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	849
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	337
Subtotal: Software (3.19%)*					6,751	20,754

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
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.	Surgical Devices	Equity	Preferred Series B	219,298	250	73
	Surgical Devices	Equity	Preferred Series C	656,538	282	123
	Surgical Devices	Equity	Preferred Series D	1,621,553	580	749
Total Gynesonics, Inc.				2,497,389	1,112	945
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	303
	Surgical Devices	Equity	Preferred Series C	119,999	300	212
	Surgical Devices	Equity	Preferred Series D	260,000	650	886
Total Transmedics, Inc.				468,960	2,050	1,401
Subtotal: Surgical Devices (0.36%)*					3,162	2,346
Total Equity (8.10%)*					36,808	52,670
Warrant						
Biotechnology Tools						
Labcyte, Inc.	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	323	65
NuGEN Technologies, Inc.	Biotechnology Tools	Warrant	Preferred Series B	234,659	78	234
Subtotal: Biotechnology Tools (0.05%)*					401	299

Energy Technology						
Agrivida, Inc.	Energy Technology	Warrant	Preferred Series C	77,447	120	243
Alphabet Energy, Inc.	Energy Technology	Warrant	Preferred Series A	86,329	82	176
American Superconductor Corporation ⁽³⁾	Energy Technology	Warrant	Common Stock	512,820	391	175
Brightsource Energy, Inc.	Energy Technology	Warrant	Preferred Series 1	175,000	780	214
Calera, Inc.	Energy Technology	Warrant	Preferred Series C	44,529	513	—
EcoMotors, Inc.	Energy Technology	Warrant	Preferred Series B	437,500	308	475
Fluidic, Inc.	Energy Technology	Warrant	Preferred Series C	59,665	102	138
Fulcrum Bioenergy, Inc.	Energy Technology	Warrant	Preferred Series C-1	280,897	275	210
Glori Energy, Inc.	Energy Technology	Warrant	Preferred Series C	145,932	165	50
GreatPoint Energy, Inc.	Energy Technology	Warrant	Preferred Series D-1	393,212	548	—
Polyera Corporation	Energy Technology	Warrant	Preferred Series C	161,575	69	44
Propel Fuels	Energy Technology	Warrant	Preferred Series C	3,200,000	211	233
SCIEnergy, Inc.	Energy Technology	Warrant	Preferred Series D	1,061,623	360	2
Scifiniti (pka Integrated Photovoltaics, Inc.)	Energy Technology	Warrant	Preferred Series B	390,000	82	68
Solexel, Inc.	Energy Technology	Warrant	Preferred Series C	1,171,625	1,162	278
Stion Corporation ⁽⁶⁾	Energy Technology	Warrant	Preferred Series Seed	2,154	1,378	1,627
TAS Energy, Inc.	Energy Technology	Warrant	Preferred Series F	428,571	299	756
TPI Composites, Inc.	Energy Technology	Warrant	Preferred Series B	120	172	376
Trilliant, Inc.	Energy Technology	Warrant	Preferred Series A	320,000	162	34
Subtotal: Energy Technology (0.78%)* ⁽¹³⁾					7,179	5,099

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Communications & Networking						
Intelepeer, Inc.	Communications & Networking	Warrant	Preferred Series C	117,958	\$ 102	\$ 112
OpenPeak, Inc.	Communications & Networking	Warrant	Preferred Series 2	108,982	149	—
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	41
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	368
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	98
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	417	661
Stoke, Inc.	Communications & Networking	Warrant	Preferred Series C	158,536	53	5
	Communications & Networking	Warrant	Preferred Series D	72,727	65	2
Total Stoke, Inc.				231,263	118	7
Subtotal: Communications & Networking (0.20%)*					994	1,287
Consumer & Business Products						
Intelligent Beauty, Inc.	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	1,027
IPA Holdings, LLC	Consumer & Business Products	Warrant	Common Stock	650,000	275	408
Market Force Information, Inc.	Consumer & Business Products	Warrant	Preferred Series A	99,286	24	1
Subtotal: Consumer & Business Products (0.22%)*					529	1,436
Diagnostic						
Navidea Biopharmaceuticals, Inc. (pka Neoprobe) ⁽³⁾	Diagnostic	Warrant	Common Stock	333,333	244	152
Subtotal: Diagnostic (0.02%)*					244	152

Drug Delivery

AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽¹⁰⁾	Drug Delivery	Warrant	Common Stock	176,730	786	961
Alexza Pharmaceuticals, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	37,639	645	1
BIND Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	71,359	367	294
Celsion Corporation ⁽³⁾	Drug Delivery	Warrant	Common Stock	97,493	227	249
Dance Biopharm, Inc.	Drug Delivery	Warrant	Preferred Series A	97,701	74	154
Intelliject, Inc.	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,115
NuPathe, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	106,631	139	136
Revance Therapeutics, Inc. ⁽¹²⁾	Drug Delivery	Warrant	Preferred Series E-5	802,675	557	330
Transcept Pharmaceuticals, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	61,452	87	3
Subtotal: Drug Delivery (0.50%)*					3,476	3,243

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Development						
Acceleron Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	11,611	\$39	\$294
ADMA Biologics, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	31,750	129	73
Anthera Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	40,178	984	9
Cell Therapeutics, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	679,040	405	601
Cempra, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	138,797	458	728
Chroma Therapeutics, Ltd. ⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	500
Cleveland BioLabs, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	156,250	105	66
Concert Pharmaceuticals, Inc. ⁽¹²⁾	Drug Discovery & Development	Warrant	Preferred Series C	400,000	367	577
Coronado Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	73,009	142	41
Dicerna Pharmaceuticals, Inc. ⁽¹²⁾	Drug Discovery & Development	Warrant	Common Stock	200	28	—
	Drug Discovery & Development	Warrant	Preferred Series A	21,000	237	38
	Drug Discovery & Development	Warrant	Preferred Series B	26,400	310	48
Total Dicerna Pharmaceuticals, Inc.				47,600	575	86
Horizon Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	22,408	231	5
Merrimack Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	302,143	155	488
Neuralstem, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	648,798	295	1,045
Portola Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	68,702	153	683
uniQure B.V. ⁽⁵⁾⁽¹⁰⁾⁽¹²⁾	Drug Discovery & Development	Warrant	Preferred Series A	185,873	218	313
Subtotal: Drug Discovery & Development (0.85%)*					4,746	5,509

Electronics & Computer Hardware						
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	16
Identive Group, Inc. ⁽³⁾	Electronics & Computer Hardware	Warrant	Common Stock	992,084	247	136
Plures Technologies, Inc. ⁽³⁾	Electronics & Computer Hardware	Warrant	Preferred Series A	552,467	124	100
Subtotal: Electronics & Computer Hardware (0.04%)*					383	252
Healthcare Services, Other						
MDEverywhere, Inc.	Healthcare Services, Other	Warrant	Common Stock	129	94	55
Subtotal: Healthcare Services, Other (0.01%)*					94	55
Information Services						
Buzznet, Inc.	Information Services	Warrant	Preferred Series B	19,962	9	—
Cha Cha Search, Inc.	Information Services	Warrant	Preferred Series G	48,232	57	10
InXpo, Inc.	Information Services	Warrant	Preferred Series C	648,400	98	45
	Information Services	Warrant	Preferred Series C-1	582,015	49	40
Total InXpo, Inc.				1,230,415	147	85
Jab Wireless, Inc.	Information Services	Warrant	Preferred Series A	266,567	265	330
RichRelevance, Inc.	Information Services	Warrant	Preferred Series E	112,612	98	—
Subtotal: Information Services (0.07%)*					576	425

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Internet Consumer & Business Services						
Blurb, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	218,684	\$299	\$169
	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	248
Total Blurb, Inc.				452,964	935	417
CashStar, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series C-2	454,545	102	47
Gazelle, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	151,827	165	62
Invoke Solutions, Inc.	Internet Consumer & Business Services	Warrant	Common Stock	53,084	39	—
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	137,456	589	1,057
Prism Education Group, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	200,000	43	
Progress Financial	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	76
Reply! Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	137,225	320	93
ShareThis, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	546	241
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	85
Subtotal: Internet Consumer & Business Services (0.32%)*					2,973	2,078
Media/Content/Info						
Everyday Health, Inc. (pka Waterfront Media, Inc.)	Media/Content/Info	Warrant	Preferred Series C	110,018	60	50
Glam Media, Inc.	Media/Content/Info	Warrant	Preferred Series D	407,457	482	—
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	275
Subtotal: Media/Content/Info (0.05%)*					890	325

See notes to consolidated financial statements.

33

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Medical Devices & Equipment						
Baxano Surgical, Inc. ⁽³⁾	Medical Devices & Equipment	Warrant	Common Stock	882,353	\$439	\$ 344
Gelesis, Inc. ⁽⁶⁾	Medical Devices & Equipment	Warrant	LLC Interest	263,688	78	7
Home Dialysis Plus, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	300,000	245	297
InspireMD, Inc. ⁽³⁾⁽⁵⁾⁽¹⁰⁾	Medical Devices & Equipment	Warrant	Common Stock	168,351	242	167
Medrobotics Corporation	Medical Devices & Equipment	Warrant	Preferred Series D	424,008	343	184
	Medical Devices & Equipment	Warrant	Preferred Series E	34,199	27	23
Total Medrobotics Corporation				458,207	370	207
MELA Sciences, Inc. ⁽³⁾	Medical Devices & Equipment	Warrant	Common Stock	693,202	401	94
NetBio, Inc.	Medical Devices & Equipment	Warrant	Common Stock	2,568	408	398
NinePoint Medical, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	288
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. ⁽⁶⁾	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,252	232
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Warrant	Common Stock	95,498	66	23
	Medical Devices & Equipment	Warrant	Preferred Series C	716,948	677	134
Total Oraya Therapeutics, Inc.				812,446	743	157
SonaCare Medical, LLC (pka US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	409,704	188	201

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

United Orthopedic Group, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	423,076	608	785
ViewRay, Inc.	Medical Devices & Equipment	Warrant	Preferred Series C	312,500	333	331
Subtotal: Medical Devices & Equipment (0.54%)*					5,610	3,508
Semiconductors						
Achronix Semiconductor Corporation	Semiconductors	Warrant	Preferred Series C	360,000	160	194
SiTime Corporation	Semiconductors	Warrant	Preferred Series G	195,683	24	12
Subtotal: Semiconductors (0.03%)*					184	206

See notes to consolidated financial statements.

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2013

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Software						
Atrenta, Inc.	Software	Warrant	Preferred Series D	392,670	\$ 121	\$ 330
Box, Inc.	Software	Warrant	Preferred Series B	271,070	72	4,701
	Software	Warrant	Preferred Series C	199,219	117	3,331
	Software	Warrant	Preferred Series D-1	62,255	194	625
Total Box, Inc.				532,544	383	8,657
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	187	—
Central Desktop, Inc.	Software	Warrant	Preferred Series B	522,769	108	187
Clickfox, Inc.	Software	Warrant	Preferred Series B	1,038,563	330	495
	Software	Warrant	Preferred Series C	592,019	730	363
Total Clickfox, Inc.				1,630,582	1,060	858
Daegis Inc. (pka Unify Corporation) ⁽³⁾	Software	Warrant	Common Stock	718,860	1,433	83
ForeScout Technologies, Inc.	Software	Warrant	Preferred Series E	80,587	41	82
Hillcrest Laboratories, Inc.	Software	Warrant	Preferred Series E	1,865,650	55	139
Mobile Posse, Inc.	Software	Warrant	Preferred Series C	396,430	130	129
Neos Geosolutions, Inc.	Software	Warrant	Preferred Series 3	221,150	22	—
Sonian, Inc.	Software	Warrant	Preferred Series C	185,949	106	105
SugarSync, Inc.	Software	Warrant	Preferred Series CC	332,726	78	48
	Software	Warrant	Preferred Series DD	107,526	34	16
Total Sugarsync, Inc.				440,252	112	64
Touchcommerce, Inc.	Software	Warrant		992,595	251	248

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

			Preferred Series E			
White Sky, Inc.	Software	Warrant	Preferred Series B-2	124,295	54	4
WildTangent, Inc.	Software	Warrant	Preferred Series 3	100,000	238	123
Subtotal: Software (1.69%)*					4,301	11,009
Specialty Pharmaceuticals						
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Warrant	Preferred Series E	155,324	307	—
Subtotal: Specialty Pharmaceuticals (0.00%)*					307	—
Surgical Devices						
Gynesonics, Inc.	Surgical Devices	Warrant	Preferred Series C	180,480	74	27
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	383
Total Gynesonics, Inc.				1,756,445	394	410
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	9
	Surgical Devices	Warrant	Preferred Series D	175,000	100	335
Total Transmedics, Inc.				215,436	325	344
Subtotal: Surgical Devices (0.12%)*					719	754
Total Warrants (5.48%)*					33,606	35,637
Total Investments (140.04%)*					\$906,297	\$910,295

* 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 \$48.8 million, \$44.5 million and \$4.3 million respectively. The tax cost of investments is \$906.2 million
- (3) Except for warrants in twenty-five publicly traded companies and common stock in nine publicly traded companies, all investments are restricted at December 31, 2013 and were valued at fair value as determined in good faith by the Valuation 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) Debt investments of this portfolio company have been pledged as collateral under the Wells Facility.
- (5) Non-U.S. company or the company's principal place of business is outside the United States.
- (6) 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.
- (7) 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.
- (8) Debt is on non-accrual status at December 31, 2013, and is therefore considered non-income producing.
- (9) Convertible Senior Debt
- (10) 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.
- (11) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).
- (12)

Subsequent to December 31, 2013, this company completed an initial public offering. Note that the December 31, 2013 fair value does not reflect any potential impact of the conversion of our preferred shares to common shares which may include reverse split associated with the offering.

(13) In our quarterly and annual reports filed with the Commission prior to the Annual Report on Form 10-K for the year ended December 31, 2013, we referred to this industry sector as “Clean Tech.”

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Description of Business and Basis of Presentation

Hercules Technology Growth Capital, Inc. (the “Company”) is a specialty finance company focused on providing senior secured loans to venture capital-backed companies in technology-related markets, including technology, biotechnology, life science, and energy and renewables technology industries at all stages of development. The Company sources its investments through its principal office located in Palo Alto, CA, as well as through its additional offices in Boston, MA, New York, NY and McLean, VA. The Company was incorporated under the General Corporation Law of the State of Maryland in December 2003.

The Company is an internally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). From incorporation through December 31, 2005, the Company was taxed as a corporation under Subchapter C of the Internal Revenue Code of 1986, (the “Code”). Effective January 1, 2006, the Company has elected to be treated for tax purposes as a regulated investment company, or RIC, under the Code (see Note 5).

Hercules Technology II, L.P. (“HT II”), Hercules Technology III, L.P. (“HT III”), and Hercules Technology IV, L.P. (“HT IV”), are Delaware limited partnerships that were formed in January 2005, September 2009 and December 2010, respectively. HT II and HT III were licensed to operate as small business investment companies (“SBICs”) under the authority of the Small Business Administration (“SBA”) on September 27, 2006 and May 26, 2010, respectively. As SBICs, HT II and HT III are subject to a variety of regulations concerning, among other things, the size and nature of the companies in which they may invest and the structure of those investments. HT IV was formed in anticipation of receiving an additional SBIC license; however, the Company has not yet applied for such license, and HT IV currently has no assets or liabilities. The Company also formed Hercules Technology SBIC Management, LLC, or (“HTM”), a limited liability company in November 2003. HTM is a wholly owned subsidiary of the Company and serves as the limited partner and general partner of HT II and HT III (see Note 4 to the Company’s consolidated financial statements.)

HT II and HT III hold approximately \$143.2 million and \$296.1 million in assets, respectively, and they accounted for approximately 9.5% and 19.7% of our total assets, respectively, prior to consolidation at June 30, 2014.

The Company also established wholly owned subsidiaries, all of which are structured as Delaware corporations and limited liability companies, to hold portfolio companies organized as limited liability companies, or LLCs (or other forms of pass-through entities). By investing through these wholly owned subsidiaries, the Company is able to benefit from the tax treatment of these entities and create a tax structure that is more advantageous with respect to the Company’s RIC status.

The consolidated financial statements include the accounts of the Company, its subsidiaries and its consolidated securitization VIE. All inter-company accounts and transactions have been eliminated in consolidation. In accordance with Article 6 of Regulation S-X under the Securities Act of 1933 and the Securities and Exchange Act of 1934, the Company does not consolidate portfolio company investments. The accompanying consolidated interim financial statements are presented in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information, and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X under the Securities Act of 1933 and the Securities Exchange Act of 1934. Accordingly, certain disclosures

accompanying annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments consisting solely of normal recurring accruals considered necessary for the fair presentation of consolidated financial statements for the interim periods have been included. The current period's results of operations are not necessarily indicative of results that ultimately may be achieved for the year. Therefore, the interim unaudited consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes thereto for the period ended December 31, 2013. The year-end consolidated statement of assets and liabilities data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the consolidated financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries and all VIEs of which the Company is the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation.

A VIE is an entity that either (i) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (ii) has equity investors who lack the characteristics of a controlling financial interest. The primary beneficiary of a VIE is the party with both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb the losses or the right to receive benefits that could potentially be significant to the VIE.

To assess whether the Company has the power to direct the activities of a VIE that most significantly impact its economic performance, the Company considers all the facts and circumstances including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes identifying the activities that most significantly impact the VIE's economic performance and identifying which party, if any, has power over those activities. In general, the party that makes the most significant decisions affecting the VIE is determined to have the power to direct the activities of a VIE. To assess whether the Company has the obligation to absorb the losses or the right to receive benefits that could potentially be significant to the VIE, the Company considers all of its economic interests, including debt and equity interests, servicing rights and fee arrangements, and any other variable interests in the VIE. If the Company determines that it is the party with the power to make the most significant decisions affecting the VIE, and the Company has a potentially significant interest in the VIE, then it consolidates the VIE.

The Company performs ongoing reassessments, usually quarterly, of whether it is the primary beneficiary of a VIE. The reassessment process considers whether the Company has acquired or divested the power to direct the activities of the VIE through changes in governing documents or other circumstances. The Company also reconsiders whether entities previously determined not to be VIEs have become VIEs, based on certain events, and therefore are subject to the VIE consolidation framework.

As of the date of this report, the only VIE consolidated by the Company is its securitization VIE formed in conjunction with the issuance of the Asset-Backed Notes (See Note 4).

Valuation of Investments

At June 30, 2014, 86.2% of the Company's total assets represented investments in portfolio companies that are valued at fair value by the Board of Directors. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Board of Directors. The Company's investments are carried at fair value in accordance with the 1940 Act and Accounting Standards Codification topic 820 Fair Value Measurements and Disclosures ("ASC 820"). The Company's debt securities are primarily invested in venture capital-backed companies in technology-related markets, including technology, biotechnology, life science and energy and renewables technology industries. Given the nature of lending to these types of businesses, substantially all of the Company's investments in these portfolio companies are considered Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, the Company values substantially all of its investments at fair value as determined in good faith pursuant to a consistent valuation policy and the Company's Board of Directors in accordance with the provisions of ASC 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments determined in good faith by its Board of Directors may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

The Company may from time to time engage an independent valuation firm to provide the Company with valuation assistance with respect to certain portfolio investments on a quarterly basis. The Company intends to continue to engage an independent valuation firm to provide management with assistance regarding the Company's determination of the fair value of selected portfolio investments each quarter unless directed by the Board of Directors to cancel such

valuation services. The scope of services rendered by an independent valuation firm is at the discretion of the Board of Directors. The Company's Board of Directors is ultimately and solely responsible for determining the fair value of the Company's investments in good faith.

With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, the Company's Board of Directors has approved a multi-step valuation process each quarter, as described below:

- (1) the Company's quarterly valuation process begins with each portfolio company being initially valued by the investment professionals responsible for the portfolio investment;
- (2) preliminary valuation conclusions are then documented and business based assumptions are discussed with the Company's investment committee;
- (3) the Audit Committee of the Board of Directors reviews the preliminary valuation of the investments in the portfolio as provided by the investment committee, which incorporates the results of the independent valuation firm as appropriate;
- (4) the Board of Directors, upon the recommendation of the Audit Committee, discusses valuations and determines the fair value of each investment in our portfolio in good faith based on the input of, where applicable, the respective independent valuation firm and the investment committee.

ASC 820 establishes a framework for measuring the fair value of the assets and liabilities and outlines a fair value hierarchy which prioritizes the inputs used to measure fair value and the effect of fair value measures on earnings. ASC 820 also enhances disclosure requirements for fair value measurements based on the level within the hierarchy of the information used in the valuation. ASC 820 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has categorized all investments recorded at fair value in accordance with ASC 820 based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at Level 1 fair value generally are equities listed in active markets.

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset in connection with market data at the measurement date and for the extent of the instrument's anticipated life. Fair valued assets that are generally included in this category are warrants held in a public company.

Level 3—Inputs reflect management's best estimate of what market participants would use in pricing the asset at the measurement date. It includes prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Generally, assets carried at fair value and included in this category are the debt investments and warrants and equities held in a private company.

In accordance with ASU 2011-04, the following tables provide quantitative information about the Company's Level 3 fair value measurements of the Company's investments as of June 30, 2014 (unaudited) and December 31, 2013. In addition to the techniques and inputs noted in the tables below, according to the Company's valuation policy the Company may also use other valuation techniques and methodologies when determining the Company's fair value measurements. The table below is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to the Company's fair value measurements.

Investment Type - Level Three	Fair Value at June 30, 2014 (in thousands)	Valuation Techniques/Methodologies	Unobservable Input ^(a)	Range	Weighted Average ^(b)
Debt Investments Pharmaceuticals	128,946	Originated Within 6 Months	Origination Yield	9.79% - 18.99%	13.54%
	\$ 181,608	Market Comparable Companies	Hypothetical Market Yield Premium/(Discount)	10.27% - 15.53% (1.00%) - 0.50%	13.32%
Medical Devices	29,099	Originated Within 6 Months	Origination Yield	11.46% - 15.83%	14.12%
	74,460	Market Comparable Companies	Hypothetical Market Yield	12.74% - 19.70%	15.09%

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

			Premium/(Discount)	(1.00%) - 1.00%	
	4,442	Liquidation ^(c)	Probability weighting of alternative outcomes	30.00% - 70.00%	
Technology	72,533	Originated Within 6 Months	Origination Yield	9.28% - 15.95%	14.01%
	97,838	Market Comparable Companies	Hypothetical Market Yield	8.00% - 20.41%	14.56%
			Premium/(Discount)	(0.50%) - 0.50%	
	118	Liquidation ^(c)	Probability weighting of alternative outcomes	0.00% - 100.00%	
Energy Technology	45,168	Originated Within 6 Months	Origination Yield	11.64% - 17.29%	12.70%
	88,836	Market Comparable Companies	Hypothetical Market Yield	13.25% - 27.39%	16.00%
			Premium/(Discount)	(0.50%) - 2.50%	
	6,330	Liquidation ^(c)	Probability weighting of alternative outcomes	20.00% - 80.00%	
Lower Middle Market	115,611	Market Comparable Companies	Adjusted SMi Leveraged Loan Indices	7.35% - 15.32%	13.35%
			Premium/(Discount)	0.00% - 1.50%	
	7,380	Liquidation ^(c)	Probability weighting of alternative outcomes	50.00%	
		Debt Investments Where Fair Value Approximates Cost			
	30,687	Imminent Payoffs			
	14,974	Debt Investments Maturing in Less than One Year			
	\$ 898,030	Total Level Three Debt Investments			

(a) The significant unobservable inputs used in the fair value measurement of the Company's debt securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums (discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation would result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment. Debt investments in the industries noted in the Company's Consolidated Schedule of Investments are included in the industries note above as follows:

Pharmaceuticals, above, is comprised of debt investments in the Therapeutic, Specialty Pharmaceuticals, Drug Discovery and Development, Drug Delivery, and Diagnostics and Biotechnology industries in the Schedule of Investments.

Medical Devices, above, is comprised of debt investments in the Therapeutic, Surgical Devices, Medical Devices and Equipment and Biotechnology Tools industries in the Schedule of Investments.

Technology, above, is comprised of debt investments in the Software, Semiconductors, Internet Consumer and Business Services, Information Services, and Communications and Networking industries in the Schedule of Investments.

Lower Middle Market, above, is comprised of debt investments in the Communications and Networking, Electronics and Computer Hardware, Healthcare Services - Other, Information Services, Internet Consumer and Business Services, Media/Content/Info, and Specialty Pharmaceuticals industries in the Schedule of Investments.

Energy Technology, above, aligns with the Energy Technology Industry in the Schedule of Investments.

(b) The weighted averages are calculated based on the fair market value of each investment.

(c) The significant unobservable input used in the fair value measurement of impaired debt securities is the probability weighting of alternative outcomes. The probability weighting of alternative outcomes is the probability assigned to different possible outcomes for our investment.

Investment Type - Level Three	Fair Value at December 31, 2013 (in thousands)	Valuation Techniques/Methodologies	Unobservable Input ^(a)	Range	Weighted Average ^(c)
Pharmaceuticals	\$ 25,811	Originated Within 6 Months	Origination Yield	12.56% - 14.53%	13.36%
	250,607	Market Comparable Companies	Hypothetical Market Yield Premium/(Discount)	13.83% - 15.47% (1.00%) - 0.00%	14.13%
Medical Devices	46,900	Originated Within 6 Months	Origination Yield	13.54% - 17.37%	14.87%
	34,723	Market Comparable Companies	Hypothetical Market Yield Premium/(Discount)	14.32% - 17.37% (1.00%) - 1.00%	15.23%
Technology	18,796	Originated Within 6 Months	Origination Yield	10.62% - 15.97%	14.26%
	98,290	Market Comparable Companies	Hypothetical Market Yield Premium/(Discount)	14.72% - 21.08% 0.00% - 1.00%	15.48%
	1,643	Liquidation	Probability weighting of alternative outcomes	30.00% - 70.00%	
Energy Technology	32,597	Originated Within 6 Months	Origination Yield	14.68% - 15.87%	15.17%

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

	108,238	Market Comparable Companies	Hypothetical Market Yield Premium/(Discount)	15.37% (0.50%) - 1.50%	15.37%
Lower Middle Market	121,347	Market Comparable Companies	Hypothetical Market Yield Premium/(Discount)	14.83% - 19.73% - 0.00% - 1.00%	16.12%
	31,818	Broker Quote ^(b)	Price Quotes	99.50% - 100.25% of par	
	12,576	Liquidation	Par Value	\$2.0 - \$22.5 million	
			Probability weighting of alternative outcomes	20.00% - 80.00%	
		Debt Investments Where Fair Value Approximates Amortized Cost			
	15,906	Imminent Payoffs			
	22,236	Debt Investments Maturing in Less than One Year			
	500	Convertible Debt at Par			
	\$ 821,988	Total Level Three Debt Investments			

(a) The significant unobservable inputs used in the fair value measurement of the Company's securities are hypothetical market yields and premiums/(discounts). The hypothetical market yield is defined as the exit price of an investment in a hypothetical market to hypothetical market participants where buyers and sellers are willing participants. The premiums (discounts) relate to company specific characteristics such as underlying investment performance, security liens, and other characteristics of the investment. Significant increases (decreases) in the inputs in isolation would result in a significantly lower (higher) fair value measurement, depending on the materiality of the investment. Debt investments in the industries noted in the Company's Consolidated Schedule of Investments are included in the industries note above as follows:

Pharmaceuticals, above, is comprised of debt investments in the Therapeutic, Specialty Pharmaceuticals, Drug Discovery and Development, Drug Delivery, and Diagnostics and Biotechnology industries in the Schedule of Investments.

Medical Devices, above, is comprised of debt investments in the Therapeutic, Surgical Devices, Medical Devices and Equipment and Biotechnology Tools industries in the Schedule of Investments.

Technology, above, is comprised of debt investments in the Software, Semiconductors, Internet Consumer and Business Services, Information Services, and Communications and Networking industries in the Schedule of Investments.

Lower Middle Market, above, is comprised of debt investments in the Communications and Networking, Electronics and Computer Hardware, Healthcare Services - Other, Information Services, Internet Consumer and Business Services, Media/Content/Info, and Specialty Pharmaceuticals industries in the Schedule of Investments.

Energy Technology, above, aligns with the Energy Technology Industry in the Schedule of Investments. In our quarterly and annual reports filed with the Commission prior to the 2013 Annual Report on Form 10-K, we referred to

the Energy Technology Industry as “Clean Tech” and we referred to these investments as “Clean Tech” in the Schedule of Investments included in such reports.

(b) A broker quote valuation technique was used to derive the fair value of debt investments which are part of a syndicated facility.

(c) The weighted averages are calculated based on the fair market value of each investment.

39

Investment Type - Level Three Equity and Warrant Investments	Fair Value at June 30, 2014 (in thousands)	Valuation Techniques/ Methodologies	Unobservable Input ^(a)	Range			
Equity Investments	\$ 11,079	Market Comparable Companies	EBITDA Multiple ^(b)	5.1x - 23.1x			
			Revenue Multiple ^(b)	0.9x - 4.1x			
			Discount for Lack of Marketability ^(c)	10.8% - 33.3%			
			Average Industry Volatility ^(d)	43.5% - 100.8%			
			Risk-Free Interest Rate	0.1% - 0.8%			
			Estimated Time to Exit (in months)	12 - 36			
			Market Adjusted OPM Backsolve	38,128	Market Adjusted OPM Backsolve	Average Industry Volatility ^(d)	40.2% - 84.3%
						Risk-Free Interest Rate	0.0% - 1.1%
						Estimated Time to Exit (in months)	2 - 45
						Warrant Investments	10,135
Revenue Multiple ^(b)	0.4x - 7.5x						
Discount for Lack of Marketability ^(c)	12.3% - 34.4%						
Average Industry Volatility ^(d)	39.6% - 118.3%						
Risk-Free Interest Rate	0.1% - 1.2%						
Estimated Time to Exit (in months)	12 - 48						
Market Adjusted OPM Backsolve	6,748	Market Adjusted OPM Backsolve	Average Industry Volatility ^(d)	29.9% - 95.4%			
			Risk-Free Interest Rate	0.1% - 2.7%			
			Estimated Time to Exit (in months)	9 - 48			
Total Level Three Warrant and Equity Investments	\$ 66,090						

(a) The significant unobservable inputs used in the fair value measurement of the Company's warrant and equity-related securities are revenue and/or EBITDA multiples and discounts for lack of marketability. Additional inputs used in the Black Scholes option pricing model include industry volatility, risk free interest rate and estimated time to exit. Significant increases (decreases) in the inputs in isolation would result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the

measurement date.

- (b) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.
- (c) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.
- (d) Represents the range of industry volatility used by market participants when pricing the investment.

Investment Type - Level Three	Fair Value at	Valuation Techniques/	Unobservable Input ^(a)	Range
Equity and Warrant	December 31, 2013	Methodologies	EBITDA Multiple ^(b)	
Investments	(in thousands)	Companies		
Equity Investments	10,244	Market Comparable Companies	EBITDA Multiple ^(b)	8.6x - 17.7x
	\$		Revenue Multiple ^(b)	0.7x - 13.8x
			Discount for Lack of Marketability ^(c)	9.1% - 23.6%
			Average Industry Volatility ^(d)	43.4% - 110.7%
			Risk-Free Interest Rate	0.1% - 0.4%
			Estimated Time to Exit (in months)	6 - 30
	9,289	Market Adjusted OPM Backsolve	Average Industry Volatility ^(d)	45.6% - 109.7%
			Risk-Free Interest Rate	0.1% - 0.9%
			Estimated Time to Exit (in months)	6 - 42
	18,127	Other	Average Industry Volatility ^(d)	44.0%
			Risk-Free Interest Rate	0.1%
			Estimated Time to Exit (in months)	12
Warrant Investments	10,200	Market Comparable Companies	EBITDA Multiple ^(b)	5.0x - 51.4x
			Revenue Multiple ^(b)	0.5x - 13.8x
			Discount for Lack of Marketability ^(c)	6.4% - 36.0%
			Average Industry Volatility ^(d)	21.3% - 110.7%
			Risk-Free Interest Rate	0.1% - 1.0%
			Estimated Time to Exit (in months)	6 - 48
	8,913	Market Adjusted OPM Backsolve	Average Industry Volatility ^(d)	35.7% - 109.9%
			Risk-Free Interest Rate	0.1% - 2.7%
			Estimated Time to Exit (in months)	3 - 48
	9,595	Other	Average Industry Volatility ^(d)	44.0% - 56.9%
			Risk-Free Interest Rate	0.1% - 1.0%
			Estimated Time to Exit (in months)	12 - 48

Total Level Three Warrant and Equity Investments	\$ 66,368
---	-----------

- (a) The significant unobservable inputs used in the fair value measurement of the Company's warrant and equity-related securities are revenue and/or EBITDA multiples and discounts for lack of marketability. Additional inputs used in the Black Scholes option pricing model include industry volatility, risk free interest rate and estimated time to exit. Significant increases (decreases) in the inputs in isolation would result in a significantly higher (lower) fair value measurement, depending on the materiality of the investment. For some investments, additional consideration may be given to data from the last round of financing or merger/acquisition events near the measurement date.
- (b) Represents amounts used when the Company has determined that market participants would use such multiples when pricing the investments.
- (c) Represents amounts used when the Company has determined market participants would take into account these discounts when pricing the investments.
- (d) Represents the range of average industry volatility used by market participants when pricing the investment.

40

Debt Investments

The Company follows the guidance set forth in ASC 820 which establishes a framework for measuring the fair value of assets and liabilities and outlines a fair value hierarchy which prioritizes the inputs used to measure fair value and the effect of fair value measures on earnings. The Company's debt securities are primarily invested in venture capital-backed companies in technology- related markets, including technology, biotechnology, life science and energy and renewables technology industries. Given the nature of lending to these types of businesses, the Company's investments in these portfolio companies are considered Level 3 assets under ASC 820 because there is no known or accessible market or market indexes for debt instruments for these investment securities to be traded or exchanged.

In making a good faith determination of the value of our investments, the Company generally starts with the cost basis of the investment, which includes the value attributed to the OID, if any, and PIK interest or other receivables which have been accrued to principal as earned. The Company then applies the valuation methods as set forth below.

The Company applies a procedure that assumes a sale of investment in a hypothetical market to a hypothetical market participant where buyers and sellers are willing participants. The hypothetical market does not include scenarios where the underlying security was simply repaid or extinguished, but includes an exit concept. Under this process, the Company also evaluates the collateral for recoverability of the debt investments as well as applies all of its historical fair value analysis. The Company uses pricing on recently issued comparable debt securities to determine the baseline hypothetical market yields as of the measurement date.

The Company considers each portfolio company's credit rating, security liens and other characteristics of the investment to adjust the baseline yield to derive a hypothetical yield for each investment as of the measurement date. The anticipated future cash flows from each investment are then discounted at the hypothetical yield to estimate each investment's fair value as of the measurement date.

The Company's process includes, among other things, the underlying investment performance, the current portfolio company's financial condition and market changing events that impact valuation, estimated remaining life, current market yield and interest rate spreads of similar securities as of the measurement date. The Company values its syndicated debt investments using broker quotes and bond indices amongst other factors. If there is a significant deterioration of the credit quality of a debt investment, the Company may consider other factors to estimate fair value, including the proceeds that would be received in a liquidation analysis.

The Company records unrealized depreciation on investments when it believes that an investment has decreased in value, including where collection of a debt investment is doubtful or, if under the in-exchange premise, when the value of a debt security was to be less than amortized cost of the investment. Conversely, where appropriate, the Company records unrealized appreciation if it believes that the underlying portfolio company has appreciated in value and, therefore, that its investment has also appreciated in value or, if under the in-exchange premise, the value of a debt security were to be greater than amortized cost.

When originating a debt instrument, the Company generally receives warrants or other equity-related securities from the borrower. The Company determines the cost basis of the warrants or other equity-related securities received based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt investment and warrants or other equity-related securities received. Any resulting discount on the debt investment from recordation of the warrant or other equity instruments is accreted into interest income over the life of the loan.

Equity-Related Securities and Warrants

Securities that are traded in the over-the-counter markets or on a stock exchange will be valued at the prevailing bid price at period end. The Company has a limited number of equity securities in public companies. In accordance with the 1940 Act, unrestricted publicly traded securities for which market quotations are readily available are valued at the closing market quote on the measurement date.

The Company estimates the fair value of warrants using a Black Scholes pricing model. At each reporting date, privately held warrant and equity-related securities are valued based on an analysis of various factors including, but not limited to, the portfolio company's operating performance and financial condition and general market conditions, price to enterprise value or price to equity ratios, discounted cash flow, valuation comparisons to comparable public companies or other industry benchmarks. When an external event occurs, such as a purchase transaction, public offering, or subsequent equity sale, the pricing indicated by that external event is utilized to corroborate the Company's valuation of the warrant and equity-related securities. The Company periodically reviews the valuation of its portfolio companies that have not been involved in a qualifying external event to determine if the enterprise value of the portfolio company may have increased or decreased since the last valuation measurement date.

Investments measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations as of June 30, 2014 (unaudited) and as of December 31, 2013. The Company transfers investments in and out of Level 1, 2 and 3 securities as of the beginning balance sheet date, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. During the six-months ended June 30, 2014, there were no transfers between Levels 1 or 2.

		Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Inputs (Level 3)	Significant Unobservable Inputs
(in thousands)	Balance June 30, 2014				
Description					