

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Hercules Capital, Inc.
Form 10-Q
May 03, 2018
p

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 March 31, 2018

OR

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

Commission File Number: 814-00702

HERCULES CAPITAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Jurisdiction of

Incorporation or Organization)

400 Hamilton Ave., Suite 310

Palo Alto, California

743113410
(IRS Employer

Identification No.)
94301

(Zip Code)

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

(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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with a new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On April 30, 2018, there were 85,899,098 shares outstanding of the Registrant's common stock, \$0.001 par value.

HERCULES 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 March 31, 2018 and December 31, 2017 (unaudited)</u>	3
<u>Consolidated Statement of Operations for the three months ended March 31, 2018 and 2017 (unaudited)</u>	5
<u>Consolidated Statement of Changes in Net Assets for the three months ended March 31, 2018 and 2017 (unaudited)</u>	6
<u>Consolidated Statement of Cash Flows for the three months ended March 31, 2018 and 2017 (unaudited)</u>	7
<u>Consolidated Schedule of Investments as of March 31, 2018 (unaudited)</u>	9
<u>Consolidated Schedule of Investments as of December 31, 2017 (unaudited)</u>	24
<u>Notes to Consolidated Financial Statements (unaudited)</u>	39
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	71
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	89
Item 4. <u>Controls and Procedures</u>	90
<u>PART II. OTHER INFORMATION</u>	91
Item 1. <u>Legal Proceedings</u>	91
	3

Item 1A.	<u>Risk Factors</u>	91
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	92
Item 3.	<u>Defaults Upon Senior Securities</u>	92
Item 4.	<u>Mine Safety Disclosures</u>	92
Item 5.	<u>Other Information</u>	92
Item 6.	<u>Exhibits and Financial Statement Schedules</u>	94
	<u>SIGNATURES</u>	97

PART I: FINANCIAL INFORMATION

In this Quarterly Report, the “Company,” “Hercules,” “we,” “us” and “our” refer to Hercules Capital, Inc. and its wholly owned subsidiaries and its affiliated securitization trusts on or after February 25, 2016 and “Hercules Technology Growth Capital, Inc.” and its wholly owned subsidiaries and its affiliated securitization trusts prior to February 25, 2016, unless the context otherwise requires.

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS
HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

	March 31, 2018	December 31, 2017
Assets		
Investments:		
Non-control/Non-affiliate investments (cost of \$1,427,863 and \$1,506,454, respectively)	\$1,398,640	\$1,491,458
Control investments (cost of \$60,992 and \$25,419, respectively)	54,413	19,461
Affiliate investments (cost of \$87,423 and \$87,956, respectively)	30,525	31,295
Total investments in securities, at value (cost of \$1,576,278 and \$1,619,829, respectively)	1,483,578	1,542,214
Cash and cash equivalents	118,228	91,309
Restricted cash	3,632	3,686
Interest receivable	11,087	12,262
Other assets	3,187	5,244
Total assets	\$1,619,712	\$1,654,715
Liabilities		
Accounts payable and accrued liabilities	\$18,789	\$26,896
SBA Debentures, net (principal of \$190,200 and \$190,200, respectively) ⁽¹⁾	188,299	188,141
2022 Notes, net (principal of \$150,000 and \$150,000, respectively) ⁽¹⁾	147,698	147,572
2024 Notes, net (principal of \$183,510 and \$183,510, respectively) ⁽¹⁾	179,161	179,001
2021 Asset-Backed Notes, net (principal of \$33,575 and \$49,153, respectively) ⁽¹⁾	33,156	48,650
2022 Convertible Notes, net (principal of \$230,000 and \$230,000, respectively) ⁽¹⁾	223,878	223,488
Total liabilities	\$790,981	\$813,748
Net assets consist of:		
Common stock, par value	85	85
Capital in excess of par value	916,738	908,501
Unrealized depreciation on investments ⁽²⁾	(94,957)	(79,760)
Accumulated undistributed realized gains (losses) on investments	(25,294)	(20,374)
Undistributed net investment income	32,159	32,515

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Total net assets	\$828,731	\$840,967
Total liabilities and net assets	\$1,619,712	\$1,654,715
Shares of common stock outstanding (\$0.001 par value, 200,000,000 authorized)	85,239	84,424
Net asset value per share	\$9.72	\$9.96

- (1) The Company's SBA Debentures, 2022 Notes, 2024 Notes, 2021 Asset-Backed Notes and 2022 Convertible Notes, as each term is defined herein, are presented net of the associated debt issuance costs for each instrument. See "Note 4 – Borrowings".
- (2) Amounts include \$2.3 million and \$2.1 million in net unrealized depreciation on other assets and accrued liabilities, including escrow receivables, and estimated taxes payable as of March 31, 2018 and December 31, 2017, respectively.

See notes to consolidated financial statements.

The following table presents the assets and liabilities of our consolidated securitization trust for the 2021 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 Statement of Assets and Liabilities above.

	March 31, 2018	December 31, 2017
(Dollars in thousands)		
Assets		
Restricted Cash	\$3,632	\$3,686
Total investments in securities, at value (cost of \$117,441 and \$146,208, respectively)	112,826	144,513
Total assets	\$116,458	\$148,199
Liabilities		
2021 Asset-Backed Notes, net (principal of \$33,575 and \$49,153, respectively) ⁽¹⁾	\$33,156	\$48,650
Total liabilities	\$33,156	\$48,650

(1) The Company’s 2021 Asset-Backed Notes are presented net of the associated debt issuance costs. See “Note 4 – Borrowings”.

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(in thousands, except per share data)

	Three Months Ended March 31,	
	2018	2017
Investment income:		
Interest income		
Non-control/Non-affiliate investments	\$41,834	\$42,345
Control investments	586	514
Affiliate investments	561	2
Total interest income	42,981	42,861
Fee income		
Commitment, facility and loan fee income:		
Non-control/Non-affiliate investments	2,440	2,934
Control investments	—	5
Affiliate investments	108	—
Total commitment, facility and loan fee income	2,548	2,939
One-time fee income:		
Non-control/Non-affiliate investments	3,171	565
Total one-time fee income	3,171	565
Total fee income	5,719	3,504
Total investment income	48,700	46,365
Operating expenses:		
Interest	9,386	9,607
Loan fees	1,175	2,838
General and administrative	4,009	4,064
Employee compensation:		
Compensation and benefits	5,758	5,345
Stock-based compensation	2,309	1,833
Total employee compensation	8,067	7,178
Total operating expenses	22,637	23,687
Net investment income	26,063	22,678
Net realized gain (loss) on investments		
Non-control/Non-affiliate investments	(3,512)	3,288
Control investments	(1,408)	(51)
Total net realized gain (loss) on investments	(4,920)	3,237
Net change in unrealized appreciation (depreciation) on investments		
Non-control/Non-affiliate investments	(14,340)	(32,155)
Control investments	(620)	213
Affiliate investments	(237)	439
Total net unrealized appreciation (depreciation) on investments	(15,197)	(31,503)

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Total net realized and unrealized gain (loss)	(20,117)	(28,266)
Net increase (decrease) in net assets resulting from operations	\$5,946	\$(5,588)
Net investment income before investment gains and losses per common share:		
Basic	\$0.31	\$0.28
Change in net assets resulting from operations per common share:		
Basic	\$0.07	\$(0.07)
Diluted	\$0.07	\$(0.07)
Weighted average shares outstanding		
Basic	84,596	81,420
Diluted	84,666	81,420
Distributions declared per common share:		
Basic	\$0.31	\$0.31

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

(dollars and shares in thousands)

	Common Shares	Stock Par Value	Capital in excess of par value	Unrealized Appreciation (Depreciation) on Investments	Accumulated Undistributed Realized Gains (Losses) on Investments	Undistributed Net Investment Income	Net Assets
Balance at December 31, 2016	79,555	\$ 80	\$ 839,657	\$ (89,025)	\$ 14,314	\$ 22,918	\$ 787,944
Net increase (decrease) in net assets resulting from operations	—	—	—	(31,503)	3,237	22,678	(5,588)
Public offering, net of offering expenses	3,309	3	46,945	—	—	—	46,948
Issuance of common stock due to stock option exercises	24	—	181	—	—	—	181
Retired shares from net issuance	(16)	—	(140)	—	—	—	(140)
Issuance of common stock under restricted stock plan	4	—	—	—	—	—	—
Retired shares for restricted stock vesting	(101)	—	(1,433)	—	—	—	(1,433)
Distributions reinvested in common stock	26	—	388	—	—	—	388
Issuance of Convertible Notes	—	—	3,413	—	—	—	3,413
Distributions	—	—	—	—	—	(25,667)	(25,667)
Stock-based compensation ⁽¹⁾	—	—	1,850	—	—	—	1,850
Balance at March 31, 2017	82,801	\$ 83	\$ 890,861	\$ (120,528)	\$ 17,551	\$ 19,929	\$ 807,896
Balance at December 31, 2017	84,424	\$ 85	\$ 908,501	\$ (79,760)	\$ (20,374)	\$ 32,515	\$ 840,967
Net increase (decrease) in net assets resulting from operations	—	—	—	(15,197)	(4,920)	26,063	5,946
Public offering, net of offering expenses	478	—	5,952	—	—	—	5,952
Issuance of common stock due to stock option exercises	38	—	432	—	—	—	432
Retired shares from net issuance	(36)	—	(446)	—	—	—	(446)
Issuance of common stock under restricted stock plan	336	—	—	—	—	—	—
	(36)	—	(446)	—	—	—	(446)

Retired shares for restricted
stock vesting

Distributions reinvested in common stock	35	—	426	—	—	—	426
Distributions	—	—	—	—	—	(26,419)	(26,419)
Stock-based compensation ⁽¹⁾	—	—	2,319	—	—	—	2,319
Balance at March 31, 2018	85,239	\$ 85	\$ 916,738	\$ (94,957)	\$ (25,294)	\$ 32,159	\$ 828,731

(1) Stock-based compensation includes \$10 and \$17 of restricted stock and option expense related to director compensation for the three months ended March 31, 2018 and 2017, respectively.

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(dollars in thousands)

	For the Three Months Ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$5,946	\$(5,588)
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(236,285)	(153,665)
Principal and fee payments received on investments	280,181	141,798
Proceeds from the sale of investments	1,582	11,995
Net unrealized depreciation (appreciation) on investments	15,197	31,503
Net realized loss (gain) on investments	4,920	(3,237)
Accretion of paid-in-kind principal	(2,507)	(2,199)
Accretion of loan discounts	(763)	(1,924)
Accretion of loan discount on Convertible Notes	168	112
Accretion of loan exit fees	(4,407)	(6,574)
Change in deferred loan origination revenue	631	284
Unearned fees related to unfunded commitments	321	976
Amortization of debt fees and issuance costs	840	2,508
Depreciation	46	52
Stock-based compensation and amortization of restricted stock grants ⁽¹⁾	2,319	1,850
Change in operating assets and liabilities:		
Interest and fees receivable	1,175	130
Prepaid expenses and other assets	1,870	(1,061)
Accounts payable	(194)	1
Accrued liabilities	(8,025)	(5,255)
Net cash provided by (used in) operating activities	63,015	11,706
Cash flows from investing activities:		
Purchases of capital equipment	(72)	(39)
Net cash provided by (used in) investing activities	(72)	(39)
Cash flows from financing activities:		
Issuance of common stock, net	5,952	46,948
Retirement of employee shares	(460)	(1,392)
Distributions paid	(25,993)	(25,279)
Issuance of 2022 Convertible Notes	—	230,000
Issuance of 2024 Notes	—	5,637

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Repayments of 2019 Notes	—	(110,365)
Repayments of 2021 Asset-Backed Notes	(15,577)	(7,794)
Borrowings of credit facilities	—	8,497
Repayments of credit facilities	—	(13,513)
Cash paid for debt issuance costs	—	(4,456)
Fees paid for credit facilities and debentures	—	(252)
Net cash provided by (used in) financing activities	(36,078)	128,031
Net increase (decrease) in cash, cash equivalents and restricted cash	26,865	139,698
Cash, cash equivalents and restricted cash at beginning of period	94,995	21,366
Cash, cash equivalents and restricted cash at end of period	\$ 121,860	\$ 161,064
Supplemental non-cash investing and financing activities:		
Distributions reinvested	426	388

(1) Stock-based compensation includes \$10 and \$17 of restricted stock and option expense related to director compensation for the three months ended March 31, 2018 and 2017, respectively.

See notes to consolidated financial statements.

The following table presents a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statement of Assets and Liabilities that sum to the total of the same such amounts in the Consolidated Statement of Cash Flows:

	For the Three Months Ended March 31,	
(Dollars in thousands)	2018	2017
Cash and cash equivalents	\$118,228	\$148,140
Restricted cash	3,632	12,924
Total cash, cash equivalents and restricted cash presented in the Consolidated Statements of Cash Flows	\$121,860	\$161,064
See “Note 2 – Summary of Significant Accounting Policies” and “Note 11- Recent Accounting Pronouncements” for a description of restricted cash and cash equivalents.		

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Debt Investments							
Biotechnology Tools							
1-5 Years Maturity							
Excicure, Inc. ⁽¹²⁾	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45%			
				or Floor rate of 9.95%, 3.85%			
				Exit Fee	\$4,999	\$5,135	\$5,151
Subtotal: 1-5 Years Maturity						5,135	5,151
Subtotal: Biotechnology Tools (0.62%)*						5,135	5,151
Communications & Networking							
Under 1 Year Maturity							
OpenPeak, Inc. ⁽⁸⁾	Communications & Networking	Senior Secured	April 2018	Interest rate PRIME + 8.75%			
				or Floor rate of 12.00%	\$11,464	8,228	—
Subtotal: Under 1 Year Maturity						8,228	—
Subtotal: Communications & Networking (0.00%)*						8,228	—
Consumer & Business Products							
Under 1 Year Maturity							
Gadget Guard (p.k.a. Antenna79) ⁽¹⁵⁾	Consumer & Business Products	Senior Secured	December 2018	Interest rate PRIME + 6.00%			
				or Floor rate of 9.50%	\$1,000	1,000	1,000
Subtotal: Under 1 Year Maturity						1,000	1,000
1-5 Years Maturity							
					\$18,043	18,245	18,133

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Gadget Guard (p.k.a. Antenna79) ⁽¹⁵⁾	Consumer & Business Products	Senior Secured	December 2019	Interest rate PRIME + 7.45%			
				or Floor rate of 10.95%, 2.95%			
				Exit Fee			
Subtotal: 1-5 Years Maturity						18,245	18,133
Subtotal: Consumer & Business Products (2.31%)*						19,245	19,133
Diversified Financial Services							
1-5 Years Maturity							
Gibraltar Business Capital, LLC ⁽⁷⁾	Diversified Financial Services	Unsecured	March 2023	Interest rate FIXED 14.50%	\$ 10,000	9,802	9,802
Subtotal: 1-5 Years Maturity						9,802	9,802
Subtotal: Diversified Financial Services (1.18%)*						9,802	9,802
Drug Delivery							
Under 1 Year Maturity							
Agile Therapeutics, Inc. ⁽¹¹⁾	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75%			
				or Floor rate of 9.00%, 3.70%			
				Exit Fee	\$ 9,272	9,746	9,747
Pulmatrix Inc. ⁽⁹⁾⁽¹¹⁾	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25%			
				or Floor rate of 9.50%, 3.50%			
				Exit Fee	\$ 2,540	2,764	2,764
ZP Opco, Inc (p.k.a. Zosano Pharma) ⁽¹¹⁾	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 2.70%			
				or Floor rate of 7.95%, 2.87%			
				Exit Fee	\$ 4,789	5,108	5,108
Subtotal: Under 1 Year Maturity						17,618	17,619
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc. ⁽¹⁰⁾⁽¹¹⁾⁽¹⁵⁾	Drug Delivery	Senior Secured	March 2020	Interest rate PRIME + 6.05%			
				or Floor rate of 9.55%, 11.69%			
				Exit Fee	\$ 16,791	17,275	17,199
	Drug Delivery		July 2022		\$ 25,000	25,079	24,970

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Antares Pharma Inc. (10)(15)		Senior Secured		Interest rate PRIME + 4.50%			
				or Floor rate of 9.25%, 4.25%			
				Exit Fee			
Edge Therapeutics, Inc. ⁽¹²⁾	Drug Delivery	Senior Secured	August 2020	Interest rate PRIME + 4.65%			
				or Floor rate of 9.15%, 4.95%			
				Exit Fee	\$ 20,000	20,401	20,167
Subtotal: 1-5 Years Maturity						62,755	62,336
Subtotal: Drug Delivery (9.65%)*						80,373	79,955

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment	Maturity Date ⁽¹⁾	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Drug Discovery & Development							
Under 1 Year Maturity							
CytRx Corporation ⁽¹¹⁾⁽¹⁵⁾	Drug Discovery & Development	Senior Secured	August 2018	Interest rate PRIME + 6.00% or Floor rate of 9.50%, 7.09% Exit Fee	\$8,946	\$10,393	\$10,393
Epirus Biopharmaceuticals, Inc. ⁽⁸⁾	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 3.00% Exit Fee	\$2,277	2,561	—
Genocea Biosciences, Inc. ⁽¹¹⁾	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 2.25% or Floor rate of 7.25%, 4.95% Exit Fee	\$13,316	14,005	14,005
Subtotal: Under 1 Year Maturity						26,959	24,398
1-5 Years Maturity							
Auris Medical Holding, AG ⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Senior Secured	January 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%, 5.75% Exit Fee	\$8,836	9,199	9,204
Aveo Pharmaceuticals, Inc. ⁽¹⁰⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	July 2021	Interest rate PRIME + 4.70% or Floor rate of 9.45%, 5.40% Exit	\$10,000	9,936	9,818

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				Fee			
	Drug	Senior	July	Interest rate PRIME			
	Discovery	Secured	2021	+ 4.70%			
	&						
	Development			or Floor rate of			
				9.45%, 3.00% Exit			
				Fee	\$ 10,000	9,990	9,948
Total Aveo Pharmaceuticals, Inc.					\$ 20,000	19,926	19,766
Axovant Sciences Ltd. ⁽⁵⁾⁽¹⁰⁾	Drug	Senior	March	Interest rate PRIME			
	Discovery	Secured	2021	+ 6.80%			
	&						
	Development			or Floor rate of			
				10.55%	\$ 55,000	53,783	53,670
Brickell Biotech, Inc. ⁽¹²⁾	Drug	Senior	September	Interest rate PRIME			
	Discovery	Secured	2019	+ 5.70%			
	&						
	Development			or Floor rate of			
				9.20%, 7.49% Exit			
				Fee	\$ 5,834	6,178	6,166
Chemocentryx, Inc. ⁽¹⁰⁾⁽¹⁵⁾⁽¹⁷⁾	Drug	Senior	December	Interest rate PRIME			
	Discovery	Secured	2021	+ 3.30%			
	&						
	Development			or Floor rate of			
				8.05%, 6.25% Exit			
				Fee	\$ 5,000	4,973	4,973
Mesoblast ⁽⁵⁾⁽¹⁰⁾	Drug	Senior	March	Interest rate PRIME			
	Discovery	Secured	2022	+ 4.95%			
	&						
	Development			or Floor rate of			
				9.45%, 6.95% Exit			
				Fee	\$ 35,000	34,682	34,682
Metuchen Pharmaceuticals LLC ⁽¹²⁾⁽¹⁴⁾	Drug	Senior	October	Interest rate PRIME			
	Discovery	Secured	2020	+ 7.25%			
	&						
	Development			or Floor rate of			
				10.75%,			
				PIK Interest 1.35%,			
				2.25% Exit Fee	\$ 25,648	25,923	25,793
Motif BioSciences Inc. ⁽¹⁵⁾	Drug	Senior	September	Interest rate PRIME			
	Discovery	Secured	2021	+ 5.50%			
	&						
	Development			or Floor rate of			
				10.00%, 2.15% Exit			
				Fee	\$ 15,000	14,711	14,711
Myovant Sciences, Ltd. ⁽⁵⁾⁽¹⁰⁾⁽¹³⁾	Drug	Senior	May	Interest rate PRIME			
	Discovery	Secured	2021	+ 4.00%			
	&						
	Development			or Floor rate of			
				8.25%, 6.55% Exit			
				Fee	\$ 40,000	39,445	39,444

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽¹⁵⁾	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 4.50% Exit Fee			\$40,000	40,347	39,931
	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 4.50% Exit Fee			\$10,000	10,094	9,984
	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 2.25% Exit Fee			\$10,000	9,996	9,904
Total Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)							\$60,000	60,437	59,819
Stealth Bio Therapeutics Corp. ⁽⁵⁾⁽¹⁰⁾⁽¹²⁾	Drug Discovery & Development	Senior Secured	January 2021	Interest rate PRIME + 5.50% or Floor rate of 9.50%, 5.00% Exit Fee			\$20,000	19,910	19,672
Tricida, Inc. ⁽¹⁵⁾	Drug Discovery & Development	Senior Secured	March 2022	Interest rate PRIME + 3.35% or Floor rate of 8.35%, 11.14% Exit Fee			\$25,000	24,607	24,607
uniQure B.V. ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾	Drug Discovery & Development	Senior Secured	May 2020	Interest rate PRIME + 3.00% or Floor rate of 8.25%, 5.48% Exit Fee			\$20,000	20,668	20,579
Verastem, Inc. ⁽¹²⁾	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee			\$5,000	4,980	4,942
	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee			\$5,000	5,016	4,978
							\$5,000	4,978	4,939

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Drug Senior December Interest rate PRIME
 Discovery Secured 2020 + 6.00%
 &
 Development or Floor rate of
 10.50%, 4.50% Exit
 Fee

Total Verastem, Inc.	\$ 15,000	14,974	14,859
Subtotal: 1-5 Years Maturity		349,416	347,945
Subtotal: Drug Discovery & Development (44.93%)*		376,375	372,343

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Electronics & Computer Hardware							
1-5 Years Maturity							
908 DEVICES INC. ⁽¹⁵⁾	Electronics & Computer Hardware	Senior Secured	September 2020	Interest rate PRIME + 4.00% or Floor rate of 8.25%, 4.25% Exit Fee	\$ 10,000	\$ 10,061	\$ 9,864
Glo AB ⁽⁵⁾⁽¹⁰⁾⁽¹⁴⁾	Electronics & Computer Hardware	Senior Secured	February 2021	Interest rate PRIME + 6.20% or Floor rate of 10.45%, PIK Interest 1.75%, 2.95% Exit Fee	\$ 12,030	11,933	11,933
Subtotal: 1-5 Years Maturity						21,994	21,797
Subtotal: Electronics & Computer Hardware (2.63%)*						21,994	21,797
Healthcare Services, Other							
1-5 Years Maturity							
Medsphere Systems Corporation ⁽¹⁴⁾⁽¹⁵⁾	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75% or Floor rate of 9.00%, PIK Interest 1.75%	\$ 17,685	17,536	17,536
	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75%	\$ 5,031	4,990	4,990

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

or Floor rate of
9.00%,

PIK Interest
1.75%

Total Medsphere Systems Corporation					\$ 22,716	22,526	22,526
-------------------------------------	--	--	--	--	-----------	--------	--------

Oak Street Health (12)(17)	Healthcare Services, Other	Senior Secured	September 2021	Interest rate PRIME + 5.00%			
-------------------------------	-------------------------------	-------------------	-------------------	--------------------------------	--	--	--

or Floor rate of
9.75%, 5.95%

Exit Fee	\$ 20,000	20,083	19,836
----------	-----------	--------	--------

PH Group Holdings (13)	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45%			
---------------------------	-------------------------------	-------------------	-------------------	--------------------------------	--	--	--

or Floor rate of
10.95%

	\$ 20,000	19,896	19,703
--	-----------	--------	--------

Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45%
-------------------------------	-------------------	-------------------	--------------------------------

or Floor rate of
10.95%

	\$ 10,000	9,934	9,794
--	-----------	-------	-------

Total PH Group Holdings					\$ 30,000	29,830	29,497
-------------------------	--	--	--	--	-----------	--------	--------

Subtotal: 1-5 Years Maturity						72,439	71,859
------------------------------	--	--	--	--	--	--------	--------

Subtotal: Healthcare Services, Other (8.67%)*						72,439	71,859
--	--	--	--	--	--	--------	--------

Information Services

1-5 Years Maturity

MDX Medical, Inc. (14)(15)(19)	Information Services	Senior Secured	December 2020	Interest rate PRIME + 4.00%			
-----------------------------------	-------------------------	-------------------	------------------	--------------------------------	--	--	--

or Floor rate of
8.25%,

PIK Interest
1.70%

	\$ 15,100	14,702	14,410
--	-----------	--------	--------

Netbase Solutions, Inc. (13)(14)	Information Services	Senior Secured	August 2020	Interest rate PRIME + 6.00%			
-------------------------------------	-------------------------	-------------------	----------------	--------------------------------	--	--	--

or Floor rate of
10.00%,

PIK Interest
2.00%, 3.00%

Exit Fee	\$ 9,096	8,855	8,815
----------	----------	-------	-------

Subtotal: 1-5 Years Maturity						23,557	23,225
------------------------------	--	--	--	--	--	--------	--------

Subtotal: Information Services (2.80%)*						23,557	23,225
--	--	--	--	--	--	--------	--------

See notes to consolidated financial statements.

11

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Internet Consumer & Business Services							
Under 1 Year Maturity							
The Faction Group	Internet Consumer & Business Services	Senior Secured	January 2019	Interest rate PRIME + 4.75% or Floor rate of 8.25%	\$ 2,000	\$ 2,000	\$ 2,000
Subtotal: Under 1 Year Maturity						2,000	2,000
1-5 Years Maturity							
AppDirect, Inc. (19)	Internet Consumer & Business Services	Senior Secured	January 2022	Interest rate PRIME + 5.70% or Floor rate of 9.95%, 3.45% Exit Fee	\$ 10,000	9,918	9,918
Aria Systems, Inc. (11)(14)	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%, 1.75% Exit Fee	\$ 2,113	2,124	1,240
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%, 1.75% Exit Fee	\$ 18,924	19,019	11,108
Total Aria Systems, Inc.					\$ 21,037	21,143	12,348

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Art.com, Inc. (14)(15)	Internet Consumer & Business Services	Senior Secured	April 2021	Interest rate PRIME + 5.40%			
				or Floor rate of 10.15%,			
				PIK Interest 1.70%, 1.50%			
				Exit Fee	\$ 10,000	9,812	9,812
Greenphire Inc. (17)	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate 3-month LIBOR + 8.00%			
				or Floor rate of 9.00%	\$ 3,658	3,658	3,658
	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate PRIME + 3.75%			
				or Floor rate of 7.00%	\$ 1,500	1,500	1,500
Total Greenphire Inc.					\$ 5,158	5,158	5,158
Intent Media, Inc. (14)(15)	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.25%			
				or Floor rate of 8.75%,			
				PIK Interest 1.00%, 2.00%			
				Exit Fee	\$ 5,063	5,053	5,056
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50%			
				or Floor rate of 9.00%,			
				PIK Interest 2.35%, 2.00%			
				Exit Fee	\$ 2,032	2,014	2,014
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50%			
				or Floor rate of 9.00%,			
				PIK Interest 2.50%, 2.00%			
				Exit Fee	\$ 2,034	2,016	2,016
Total Intent Media, Inc.					\$ 9,129	9,083	9,086
Interactions Corporation (19)	Internet Consumer & Business	Senior Secured	March 2021	Interest rate 3-month LIBOR	\$ 25,000	25,032	25,032

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Services				+ 8.60%			
				or Floor rate of 9.85%, 1.75%			
				Exit Fee			
LogicSource ⁽¹⁵⁾	Internet Consumer & Business Services	Senior Secured	October 2019	Interest rate PRIME + 6.25%			
				or Floor rate of 9.75%, 5.00%			
				Exit Fee	\$5,645	5,935	5,933
Snagajob.com, Inc. ⁽¹³⁾⁽¹⁴⁾	Internet Consumer & Business Services	Senior Secured	July 2020	Interest rate PRIME + 5.15%			
				or Floor rate of 9.15%,			
				PIK Interest 1.95%, 2.55%			
				Exit Fee	\$41,223	41,010	41,166
Tectura Corporation (7)(8)(9)(14)	Internet Consumer & Business Services	Senior Secured	June 2021	Interest rate FIXED 6.00%,			
				PIK Interest 3.00%	\$20,450	20,450	17,095
			June 2021	PIK Interest 8.00%			
					\$10,680	240	—
Total Tectura Corporation					\$31,130	20,690	17,095
The Faction Group	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate 3-month LIBOR + 9.25%			
				or Floor rate of 10.25%	\$8,000	8,000	8,000
Wheels Up Partners LLC	Internet Consumer & Business Services	Senior Secured	July 2022	Interest rate 3-month LIBOR + 8.55%			
				or Floor rate of 9.55%	\$22,406	22,191	22,191
Subtotal: 1-5 Years Maturity						177,972	165,739
Subtotal: Internet Consumer & Business Services (20.24%)*						179,972	167,739

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Media/Content/Info							
1-5 Years Maturity							
Bustle ⁽¹⁴⁾⁽¹⁵⁾	Media/Content/Info	Senior Secured	June 2021	Interest rate PRIME + 4.10%			
				or Floor rate of 8.35%,			
				PIK Interest 1.95%, 1.95%			
				Exit Fee	\$15,089	\$15,032	\$15,032
FanDuel, Inc. ⁽⁹⁾⁽¹²⁾⁽¹⁴⁾	Media/Content/Info	Senior Secured	November 2019	Interest rate PRIME + 7.25%			
				or Floor rate of 10.75%,			
				10.41% Exit Fee	\$19,354	20,072	19,941
	Media/Content/Info	Convertible Debt	September 2020	PIK Interest 25.00%	\$1,000	1,000	1,000
Total FanDuel, Inc.					\$20,354	21,072	20,941
Subtotal: 1-5 Years Maturity						36,104	35,973
Subtotal: Media/Content/Info (4.34%)*						36,104	35,973
Medical Devices & Equipment							
Under 1 Year Maturity							
Aspire Bariatrics, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 4.00%			
				or Floor rate of 9.25%, 6.85%			
				Exit Fee	\$1,793	2,148	839

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Quanterix Corporation ⁽¹¹⁾	Medical Devices & Equipment	Senior Secured	March 2019	Interest rate PRIME + 2.75%			
				or Floor rate of 8.00%, 4.00%			
				Exit Fee	\$ 8,591	8,569	8,569
Subtotal: Under 1 Year Maturity						10,717	9,408
1-5 Years Maturity							
Intuity Medical, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Senior Secured	June 2021	Interest rate PRIME + 5.00%			
				or Floor rate of 9.25%, 4.95%			
				Exit Fee	\$ 17,500	17,132	17,132
Micell Technologies, Inc. ⁽¹²⁾	Medical Devices & Equipment	Senior Secured	August 2019	Interest rate PRIME + 7.25%			
				or Floor rate of 10.50%, 5.00%			
				Exit Fee	\$ 4,715	5,030	4,981
Quanta Fluid Solutions ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾	Medical Devices & Equipment	Senior Secured	April 2020	Interest rate PRIME + 8.05%			
				or Floor rate of 11.55%, 5.00%			
				Exit Fee	\$ 8,848	9,220	9,150
Sebacia, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Senior Secured	July 2020	Interest rate PRIME + 4.35%			
				or Floor rate of 8.85%, 6.05%			
				Exit Fee	\$ 8,000	7,988	7,979
Tela Bio, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Senior Secured	December 2020	Interest rate PRIME + 4.95%			
				or Floor rate of 9.45%, 3.15%			
				Exit Fee	\$ 5,000	5,004	4,989
Subtotal: 1-5 Years Maturity						44,374	44,231
Subtotal: Medical Devices & Equipment (6.47%)*						55,091	53,639

See notes to consolidated financial statements.

13

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Software							
Under 1 Year Maturity							
Clickfox, Inc. ⁽¹³⁾	Software	Senior Secured	May 2018	Interest rate PRIME + 8.00%			
				or Floor rate of 11.50%, 12.01%			
				Exit Fee	\$2,592	\$4,012	\$4,012
Digital Train Limited ⁽¹⁵⁾	Software	Unsecured	July 2018	Interest rate 12-month LIBOR + 2.50%	\$5,671	5,671	4,073
Subtotal: Under 1 Year Maturity						9,683	8,085
1-5 Years Maturity							
Banker's Toolbox, Inc ⁽¹⁸⁾	Software	Senior Secured	March 2023	Interest rate 3-month LIBOR + 7.94%			
				or Floor rate of 8.94%	\$16,500	16,139	16,139
Clarabridge, Inc. ⁽¹²⁾⁽¹⁴⁾	Software	Senior Secured	April 2021	Interest rate PRIME + 4.80%			
				or Floor rate of 8.55%, PIK			
				Interest 3.25%	\$41,226	41,205	41,164
Emma, Inc.	Software	Senior Secured	September 2022	Interest rate daily LIBOR + 7.75%			
				or Floor rate of 8.75%	\$50,000	48,629	47,785
Evernote Corporation ⁽¹⁴⁾⁽¹⁵⁾⁽¹⁷⁾⁽¹⁹⁾	Software	Senior Secured	October 2020	Interest rate PRIME + 5.45%	\$6,000	5,976	6,065

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				or Floor rate of 8.95%			
	Software	Senior Secured	July 2021	Interest rate PRIME + 6.00%			
				or Floor rate of 9.50%, PIK Interest 1.25%	\$ 4,035	4,013	3,988
Total Evernote Corporation					\$ 10,035	9,989	10,053
Fuze, Inc. (13)(14)(15)(19)	Software	Senior Secured	July 2021	Interest rate PRIME + 3.70%			
				or Floor rate of 7.95%, PIK Interest 1.55%, 3.55% Exit Fee	\$ 50,528	50,776	50,413
Impact Radius Holdings, Inc. (14)(17)	Software	Senior Secured	December 2020	Interest rate PRIME + 4.25%			
				or Floor rate of 8.75%, PIK Interest 1.55%, 1.75% Exit Fee	\$ 10,073	10,091	9,945
Insurance Technologies Corp. (17)	Software	Senior Secured	March 2023	Interest rate 3-month LIBOR + 7.75%			
				or Floor rate of 8.75%	\$ 12,500	12,250	12,250
Lightbend, Inc. (14)(15)	Software	Senior Secured	August 2021	Interest rate PRIME + 4.25%			
				or Floor rate of 8.50%, PIK Interest 2.00%	\$ 11,009	10,806	10,806
Lithium Technologies, Inc. (17)	Software	Senior Secured	October 2022	Interest rate 1-month LIBOR + 8.00%			
				or Floor rate of 9.00%	\$ 12,000	11,751	11,751
Microsystems Holding Company, LLC (19)	Software	Senior Secured	July 2022	Interest rate 3-month LIBOR + 8.25%			
				or Floor rate of 9.25%	\$ 12,000	11,829	11,829

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

OneLogin, Inc. ⁽¹⁴⁾⁽¹⁵⁾	Software	Senior Secured	August 2019	Interest rate PRIME + 6.45%			
				or Floor rate of 9.95%, PIK Interest 3.25%	\$ 16,012	15,953	16,113
PerfectServe, Inc.	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.00%			
				or Floor rate of 10.00%, 2.50% Exit Fee	\$ 16,000	16,057	16,057
	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.00%			
				or Floor rate of 10.00%, 2.50% Exit Fee	\$ 4,000	4,013	4,013
Total PerfectServe, Inc.					\$ 20,000	20,070	20,070
Pollen, Inc. ⁽¹⁵⁾	Software	Senior Secured	April 2019	Interest rate PRIME + 4.25%			
				or Floor rate of 8.50%, 4.00% Exit Fee	\$ 7,000	7,023	7,000
Poplicus, Inc. ⁽⁸⁾⁽¹⁴⁾	Software	Senior Secured	May 2022	Interest rate FIXED 6.00%,			
				PIK Interest 3.00%	\$ 1,250	1,250	—
Quid, Inc. ⁽¹⁴⁾⁽¹⁵⁾	Software	Senior Secured	October 2019	Interest rate PRIME + 4.75%			
				or Floor rate of 8.25%,			
				PIK Interest 2.25%, 3.00% Exit Fee	\$ 8,350	8,480	8,494
RapidMiner, Inc. ⁽¹⁴⁾	Software	Senior Secured	December 2020	Interest rate PRIME + 5.50%			
				or Floor rate of 9.75%, PIK Interest 1.65%	\$ 7,030	7,004	7,004
Regent Education ⁽¹⁴⁾	Software	Senior Secured	January 2021	Interest rate FIXED 10.00%,	\$ 3,302	3,316	3,316
				PIK Interest 2.00%, 6.35% Exit			

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				Fee			
Signpost, Inc. ⁽¹⁴⁾	Software	Senior Secured	February 2020	Interest rate PRIME + 4.15%			
				or Floor rate of 8.15%,			
				PIK Interest 1.75%, 3.75% Exit Fee	\$ 15,578	15,742	15,612
Vela Trading Technologies ⁽¹⁸⁾	Software	Senior Secured	July 2022	Interest rate daily LIBOR + 9.50%			
				or Floor rate of 10.50%	\$ 20,000	19,518	19,143
Wrike, Inc. ⁽¹⁴⁾⁽¹⁷⁾⁽¹⁹⁾	Software	Senior Secured	February 2021	Interest rate PRIME + 6.00%			
				or Floor rate of 9.50%,			
				PIK Interest 2.00%, 3.00% Exit Fee	\$ 10,215	10,062	10,043
ZocDoc ⁽¹⁹⁾	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.50%			
				or Floor rate of 10.50%, 1.00%			
				Exit Fee	\$ 20,000	20,026	20,026
	Software	Senior Secured	November 2021	Interest rate 3-month LIBOR + 9.50%			
				or Floor rate of 10.50%, 1.00%			
				Exit Fee	\$ 10,000	10,012	10,012
Total ZocDoc					\$ 30,000	30,038	30,038
Subtotal: 1-5 Years Maturity						361,921	358,968
Subtotal: Software (44.29%)*						371,604	367,053

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Surgical Devices							
1-5 Years Maturity							
Transmedics, Inc. (13)	Surgical Devices	Senior Secured	February 2020	Interest rate PRIME + 5.30% or Floor rate of 9.55%, 6.70% Exit Fee	\$7,608	\$7,927	\$7,912
Subtotal: 1-5 Years Maturity						7,927	7,912
Subtotal: Surgical Devices (0.95%)*						7,927	7,912
Sustainable and Renewable Technology							
Under 1 Year Maturity							
Kinestral Technologies, Inc.	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate 3-month LIBOR + 7.75% or Floor rate of 8.75%, 3.23% Exit Fee	\$2,707	2,739	2,739
Rive Technology, Inc. (15)	Sustainable and Renewable Technology	Senior Secured	January 2019	Interest rate PRIME + 6.20% or Floor rate of 9.45%, 4.00% Exit Fee	\$3,318	3,583	3,583
Subtotal: Under 1 Year Maturity						6,322	6,322
1-5 Years Maturity							

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

ChargePoint Inc. ⁽¹⁹⁾	Sustainable and Renewable Technology	Senior Secured	August 2020	Interest rate 3-month LIBOR + 8.75%			
				or Floor rate of 9.75%, 2.00% Exit Fee	\$ 17,576	17,630	17,630
FuelCell Energy, Inc. ⁽¹²⁾	Sustainable and Renewable Technology	Senior Secured	April 2020	Interest rate PRIME + 5.40%			
				or Floor rate of 9.90%, 6.68% Exit Fee	\$ 13,091	12,827	12,824
	Sustainable and Renewable Technology	Senior Secured	April 2020	Interest rate PRIME + 5.40%			
				or Floor rate of 9.90%, 8.50% Exit Fee	\$ 11,909	13,452	13,452
Total FuelCell Energy, Inc.					\$ 25,000	26,279	26,276
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.)	Sustainable and Renewable Technology	Senior Secured	August 2019	Interest rate PRIME + 8.70%			
				or Floor rate of 12.95%, 4.50% Exit Fee	\$ 12,000	11,770	11,683
Metalysis Limited ⁽⁵⁾⁽¹⁰⁾	Sustainable and Renewable Technology	Senior Secured	March 2021	Interest rate PRIME + 5.00%			
				or Floor rate of 9.25%, 6.95% Exit Fee	\$ 7,500	7,418	7,418
Proterra, Inc. ⁽¹¹⁾⁽¹⁴⁾⁽¹⁷⁾	Sustainable and Renewable Technology	Senior Secured	November 2020	Interest rate PRIME + 3.70%	\$ 25,146	26,185	26,197
				or Floor rate of 7.95%,			
				PIK Interest 1.75%,			

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				5.95% Exit Fee			
	Sustainable and Renewable Technology	Senior Secured	November 2020	Interest rate PRIME + 3.70%			
				or Floor rate of 7.95%,			
				PIK Interest 1.75%, 7.00% Exit Fee	\$ 5,029	5,224	5,219
Total Proterra, Inc.					\$ 30,175	31,409	31,416
Subtotal: 1-5 Years Maturity						94,506	94,423
Subtotal: Sustainable and Renewable Technology (12.16%)*						100,828	100,745
Total: Debt Investments (161.25%)*						1,368,674	1,336,326

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽³⁾	Value ⁽⁴⁾
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc. ⁽¹⁵⁾	Biotechnology Tools	Equity	Common Stock	55,780	\$500	\$—
Subtotal: Biotechnology Tools (0.00%)*					500	—
Communications & Networking						
Achilles Technology Management Co II, Inc. ⁽⁷⁾⁽¹⁵⁾	Communications & Networking	Equity	Common Stock	100	3,100	117
GlowPoint, Inc. ⁽⁴⁾	Communications & Networking	Equity	Common Stock	114,192	102	25
Peerless Network Holdings, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	6,060
Subtotal: Communications & Networking (0.75%)*					4,202	6,202
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	911
Subtotal: Diagnostic (0.11%)*					750	911
Diversified Financial Services						
Gibraltar Business Capital, LLC ⁽⁷⁾	Diversified Financial Services	Equity	Preferred Series A	10,602,752	25,538	25,538
	Diversified Financial Services	Equity	Common Stock	830,000	1,861	1,861
Total Gibraltar Business Capital, LLC				11,432,752	27,399	27,399
Subtotal: Diversified Financial Services (3.31%)*					27,399	27,399

Drug Delivery

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

AcelRx Pharmaceuticals, Inc. (4)(10)	Drug Delivery	Equity	Common Stock	54,240	108	114
BioQ Pharma Incorporated (15)	Drug Delivery	Equity	Preferred Series D	165,000	500	891
Edge Therapeutics, Inc. (4)	Drug Delivery	Equity	Common Stock	49,965	309	59
Neos Therapeutics, Inc. (4)(15)	Drug Delivery	Equity	Common Stock	125,000	1,500	1,038
Subtotal: Drug Delivery (0.25%)*					2,417	2,102

Drug Discovery & Development

Aveo Pharmaceuticals, Inc. (4)(10)(15)	Drug Discovery & Development	Equity	Common Stock	1,901,791	1,715	5,558
Axovant Sciences Ltd. (4)(5)(10)	Drug Discovery & Development	Equity	Common Stock	129,827	1,269	172
Cerecor, Inc. (4)	Drug Discovery & Development	Equity	Common Stock	119,087	1,000	511
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.) (4)	Drug Discovery & Development	Equity	Common Stock	13,550	1,000	11
Dicerna Pharmaceuticals, Inc. (4)(15)	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	1,365
Dynavax Technologies (4)(10)	Drug Discovery & Development	Equity	Common Stock	20,000	550	398
Epirus Biopharmaceuticals, Inc. (4)	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	—
Genocea Biosciences, Inc. (4)	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	235
Insmmed, Incorporated (4)	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	1,230
Melinta Therapeutics (4)	Drug Discovery & Development	Equity	Common Stock	51,821	2,000	384
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) (4)	Drug Discovery & Development	Equity	Common Stock	76,362	2,744	992
Rocket Pharmaceuticals, Ltd (p.k.a. Inotek Pharmaceuticals Corporation) (4)	Drug Discovery & Development	Equity	Common Stock	944	1,500	18
Subtotal: Drug Discovery & Development (1.31%)*					16,778	10,874

Electronics & Computer Hardware

Identiv, Inc. (4)	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	25
Subtotal: Electronics & Computer Hardware (0.00%)*					34	25

Information Services

DocuSign, Inc.	Information Services	Equity	Common Stock	385,000	6,081	8,379
Subtotal: Information Services (1.01%)*					6,081	8,379

See notes to consolidated financial statements.

16

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽³⁾	Value ⁽⁴⁾
Internet Consumer & Business Services						
Blurb, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	\$ 175	\$ 80
Brigade Group, Inc. (p.k.a. Philotic, Inc.)	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	—
Lightspeed POS, Inc. ⁽⁵⁾⁽¹⁰⁾	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	257
	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	235
Total Lightspeed POS, Inc.				428,707	500	492
OfferUp, Inc.	Internet Consumer & Business Services	Equity	Preferred Series A	286,080	1,663	1,889
	Internet Consumer & Business Services	Equity	Preferred Series A-1	108,710	632	718
Total OfferUp, Inc.				394,790	2,295	2,607
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	416
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	233
Total Oportun (p.k.a. Progress Financial)				306,153	500	649
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	—
Tectura Corporation ⁽⁷⁾	Internet Consumer & Business Services	Equity	Preferred Series BB	1,000,000	—	—
Subtotal: Internet Consumer & Business Services (0.46%)*					3,578	3,828
Media/Content/Info						
Pinterest, Inc.	Media/Content/Info	Equity	Preferred Series Seed	620,000	4,085	4,389
Subtotal: Media/Content/Info (0.53%)*					4,085	4,389
Medical Devices & Equipment						
AtriCure, Inc. ⁽⁴⁾⁽¹⁵⁾	Medical Devices & Equipment	Equity	Common Stock	7,536	266	155
		Equity		221,893	1,500	—

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Flowonix Medical Incorporated	Medical Devices & Equipment		Preferred Series AA			
Gelesis, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Equity	Common Stock	198,202	—	996
	Medical Devices & Equipment	Equity	Preferred Series A-1	191,210	425	1,056
	Medical Devices & Equipment	Equity	Preferred Series A-2	191,626	500	1,009
Total Gelesis, Inc.				581,038	925	3,061
Medrobotics Corporation ⁽¹⁵⁾	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	209
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	171
	Medical Devices & Equipment	Equity	Preferred Series G	163,934	500	442
Total Medrobotics Corporation				374,703	905	822
Optiscan Biomedical, Corp. ⁽⁶⁾⁽¹⁵⁾	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	345
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	100
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	3,193
	Medical Devices & Equipment	Equity	Preferred Series E	31,199,131	2,609	2,618
Total Optiscan Biomedical, Corp.				94,415,930	11,521	6,256
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	667
Quanterix Corporation ⁽⁴⁾	Medical Devices & Equipment	Equity	Common Stock	84,778	1,000	1,445
Subtotal: Medical Devices & Equipment (1.50%)*					16,644	12,406
Software						
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	87
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	1,073
	Software	Equity	Preferred Series 3	93,620	300	313
Total Druva, Inc.				552,461	1,300	1,386
ForeScout Technologies, Inc. ⁽⁴⁾	Software	Equity	Common Stock	199,842	529	6,483
HighRoads, Inc.	Software	Equity	Common Stock	190	307	—
NewVoiceMedia Limited ⁽⁵⁾⁽¹⁰⁾	Software	Equity	Preferred Series E	669,173	963	1,392
Palantir Technologies	Software	Equity	Preferred Series E	727,696	5,431	4,923
	Software	Equity	Preferred Series G	326,797	2,211	2,211
Total Palantir Technologies				1,054,493	7,642	7,134

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Sprinklr, Inc.	Software	Equity	Common Stock	700,000	3,749	3,752
WildTangent, Inc. ⁽¹⁵⁾	Software	Equity	Preferred Series 3	100,000	402	172
Subtotal: Software (2.46%)*					14,943	20,406

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

		Type of				
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽³⁾	Value ⁽⁴⁾
Surgical Devices						
Gynesonics, Inc. ⁽¹⁵⁾	Surgical Devices	Equity	Preferred Series B	219,298	\$250	\$48
	Surgical Devices	Equity	Preferred Series C	656,538	282	65
	Surgical Devices	Equity	Preferred Series D	1,991,157	711	822
	Surgical Devices	Equity	Preferred Series E	2,786,367	429	542
Total Gynesonics, Inc.				5,653,360	1,672	1,477
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	427
	Surgical Devices	Equity	Preferred Series C	119,999	300	340
	Surgical Devices	Equity	Preferred Series D	260,000	650	1,071
	Surgical Devices	Equity	Preferred Series F	100,200	500	561
Total Transmedics, Inc.				569,160	2,550	2,399
Subtotal: Surgical Devices (0.47%)*					4,222	3,876
Sustainable and Renewable Technology						
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Equity	Common Stock	192	761	—
Modumetal, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series C	3,107,520	500	360
Proterra, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series 5	99,280	500	527
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.) ⁽⁶⁾	Sustainable and Renewable	Equity	Common Stock	288	61,502	12,315

Technology

Subtotal: Sustainable and Renewable Technology

(1.59%)*

63,263 13,202

Total: Equity Investments (13.76%)*

164,896 113,999

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽³⁾	Value ⁽⁴⁾
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc. ⁽¹⁵⁾	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	\$ 323	\$ 494
Subtotal: Biotechnology Tools (0.06%)*					323	494
Communications & Networking						
Peerless Network Holdings, Inc.	Communications & Networking	Warrant	Common Stock	3,328	—	16
	Communications & Networking	Warrant	Preferred Series A	135,000	95	550
Total Peerless Network Holdings, Inc.				138,328	95	566
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Common Stock	2,834,375	417	—
Subtotal: Communications & Networking (0.07%)*					512	566
Consumer & Business Products						
Gadget Guard (p.k.a Antenna79) ⁽¹⁵⁾	Consumer & Business Products	Warrant	Common Stock	1,662,441	228	—
Intelligent Beauty, Inc. ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	233
The Neat Company ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	—
Subtotal: Consumer & Business Products (0.03%)*					823	233
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽⁴⁾⁽¹⁰⁾⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	176,730	786	66
Agile Therapeutics, Inc. ⁽⁴⁾	Drug Delivery	Warrant	Common Stock	180,274	730	44
BioQ Pharma Incorporated	Drug Delivery	Warrant		459,183	1	1,155

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

			Common Stock			
Celsion Corporation ⁽⁴⁾	Drug Delivery	Warrant	Common Stock	13,927	428	—
Dance Biopharm, Inc. ⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	110,882	74	—
Edge Therapeutics, Inc. ⁽⁴⁾	Drug Delivery	Warrant	Common Stock	78,595	390	25
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,076
Neos Therapeutics, Inc. ⁽⁴⁾⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	70,833	285	71
Pulmatrix Inc. ⁽⁴⁾	Drug Delivery	Warrant	Common Stock	25,150	116	—
ZP Opco, Inc (p.k.a. Zosano Pharma) ⁽⁴⁾	Drug Delivery	Warrant	Common Stock	3,618	266	—
Subtotal: Drug Delivery (0.29%)*					3,670	2,437

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽³⁾	Value ⁽⁴⁾
Drug Discovery & Development						
ADMA Biologics, Inc. ⁽⁴⁾	Drug Discovery & Development	Warrant	Common Stock	89,750	\$295	\$ 31
Audentes Therapeutics, Inc. ⁽⁴⁾⁽¹⁰⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	9,914	62	142
Auris Medical Holding, AG ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Common Stock	15,672	249	2
Brickell Biotech, Inc.	Drug Discovery & Development	Warrant	Preferred Series C	26,086	119	65
Cerecor, Inc. ⁽⁴⁾	Drug Discovery & Development	Warrant	Common Stock	22,328	70	25
Chroma Therapeutics, Ltd. ⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	—
Cleveland BioLabs, Inc. ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	7,813	105	1
Concert Pharmaceuticals, Inc. ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	132,069	545	1,091
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) ⁽⁴⁾	Drug Discovery & Development	Warrant	Common Stock	29,239	165	—
CytRx Corporation ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	105,694	160	48
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.) ⁽⁴⁾	Drug Discovery & Development	Warrant	Common Stock	17,190	369	—
Dicerna Pharmaceuticals, Inc. ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	200	28	—
Epirus Biopharmaceuticals, Inc. ⁽⁴⁾	Drug Discovery & Development	Warrant	Common Stock	64,194	276	—
Evofem Biosciences, Inc (p.k.a. Neothetics, Inc.) ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	7,806	266	28
Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.) ⁽⁴⁾	Drug Discovery & Development	Warrant	Common Stock	73,009	142	43
Genocea Biosciences, Inc. ⁽⁴⁾	Drug Discovery & Development	Warrant	Common Stock	73,725	266	3
Immune Pharmaceuticals ⁽⁴⁾		Warrant		10,742	164	—

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

	Drug Discovery & Development		Common Stock			
Melinta Therapeutics ⁽⁴⁾	Drug Discovery & Development	Warrant	Common Stock	40,545	626	1
Motif BioSciences Inc. ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	73,452	282	254
Myovant Sciences, Ltd. ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Common Stock	73,710	460	831
Neuralstem, Inc. ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	5,783	77	—
Ology Bioservices, Inc. (p.k.a. Nanotherapeutics, Inc.) ⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	171,389	838	—
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	75,214	178	82
Savara Inc. (p.k.a. Mast Therapeutics, Inc.) ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	32,467	203	93
Sorrento Therapeutics, Inc. ⁽⁴⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Common Stock	306,748	889	704
Stealth Bio Therapeutics Corp. ⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Preferred Series A	650,000	158	150
Tricida, Inc. ⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	212,765	223	217
uniQure B.V. ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Warrant	Common Stock	37,174	218	334
XOMA Corporation ⁽⁴⁾⁽¹⁰⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	9,063	279	9
Subtotal: Drug Discovery & Development (0.50%)*					8,202	4,154

Electronics & Computer Hardware

908 DEVICES INC. ⁽¹⁵⁾	Electronics & Computer Hardware	Warrant	Preferred Series D	79,856	100	84
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	—
Subtotal: Electronics & Computer Hardware (0.01%)*					112	84

Healthcare Services, Other

Chromadex Corporation ⁽⁴⁾⁽¹⁵⁾	Healthcare Services, Other	Warrant	Common Stock	139,673	157	182
Subtotal: Healthcare Services, Other (0.02%)*					157	182

Information Services

INMOBI Inc. ⁽⁵⁾⁽¹⁰⁾	Information Services	Warrant	Common Stock	65,587	82	—
InXpo, Inc. ⁽¹⁵⁾	Information Services	Warrant	Preferred Series C-1	898,134	49	34
MDX Medical, Inc. ⁽¹⁵⁾	Information Services	Warrant	Common Stock	2,812,500	283	185

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Netbase Solutions, Inc.	Information Services	Warrant	Preferred Series 1	60,000	356	373
RichRelevance, Inc. ⁽¹⁵⁾	Information Services	Warrant	Preferred Series E	112,612	98	—
Subtotal: Information Services (0.07%)*					868	592

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

		Type of				
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Series	Shares	Cost ⁽³⁾	Value ⁽⁴⁾
Internet Consumer & Business Services						
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series G	231,535	\$73	\$—
Art.com, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series B	311,005	66	66
Blurb, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	27
ClearObject, Inc. (p.k.a. CloudOne, Inc.)	Internet Consumer & Business Services	Warrant	Preferred Series E	968,992	19	211
Faction Holdings, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A	8,703	234	437
Intent Media, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Common Stock	140,077	168	200
Interactions Corporation	Internet Consumer & Business Services	Warrant	Preferred Series G-3	68,187	204	413
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	1,812
Lightspeed POS, Inc. ⁽⁵⁾⁽¹⁰⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	245,610	20	99
LogicSource ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	79,625	30	28
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	192
ShareThis, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	—
Snagajob.com, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A	1,800,000	782	1,406
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	15
TraceLink, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A-2	283,353	1,833	2,029
Subtotal: Internet Consumer & Business Services (0.84%)*					6,108	6,935

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Media/Content/Info						
FanDuel, Inc.	Media/Content/Info	Warrant	Common Stock	15,570	—	—
	Media/Content/Info	Warrant	Preferred Series A	4,648	730	1,875
Total FanDuel, Inc.				20,218	730	1,875
Machine Zone, Inc.	Media/Content/Info	Warrant	Common Stock	1,552,710	1,958	3,242
Rhapsody International, Inc. (15)	Media/Content/Info	Warrant	Common Stock	715,755	385	37
WP Technology, Inc. (Wattpad, Inc.) (5)(10)	Media/Content/Info	Warrant	Common Stock	255,818	4	24
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	29
Subtotal: Media/Content/Info (0.63%)*					3,425	5,207
Medical Devices & Equipment						
Amedica Corporation (4)(15)	Medical Devices & Equipment	Warrant	Common Stock	8,603	459	—
Aspire Bariatrics, Inc. (15)	Medical Devices & Equipment	Warrant	Preferred Series B-1	112,858	455	—
Avedro, Inc. (15)	Medical Devices & Equipment	Warrant	Preferred Series AA	300,000	401	300
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series AA	155,325	362	—
Gelesis, Inc. (15)	Medical Devices & Equipment	Warrant	Preferred Series A-1	74,784	78	248
InspireMD, Inc. (4)(5)(10)	Medical Devices & Equipment	Warrant	Common Stock	1,124	242	—
Intuity Medical, Inc. (15)	Medical Devices & Equipment	Warrant	Preferred Series 4	1,819,078	294	394
Medrobotics Corporation (15)	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	264
Micell Technologies, Inc.	Medical Devices & Equipment	Warrant	Preferred Series D-2	84,955	262	154
NetBio, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	7,841	408	43
NinePoint Medical, Inc. (15)	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	104
Optiscan Biomedical, Corp. (6)(15)	Medical Devices & Equipment	Warrant	Preferred Series E	10,535,275	1,252	271
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	532
Quanterix Corporation (4)	Medical Devices & Equipment	Warrant	Common Stock	66,039	204	326
Sebacia, Inc. (15)	Medical Devices & Equipment	Warrant	Preferred Series D	778,301	133	159
SonaCare Medical, LLC (p.k.a. US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	6,464	188	—
		Warrant		13,864	401	—

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Strata Skin Sciences, Inc. (p.k.a. MELA Sciences, Inc.) (4)	Medical Devices & Equipment		Common Stock			
Tela Bio, Inc. (15)	Medical Devices & Equipment	Warrant	Preferred Series B	387,930	62	128
ViewRay, Inc. (4)(15)	Medical Devices & Equipment	Warrant	Common Stock	128,231	333	206
Subtotal: Medical Devices & Equipment (0.38%)*					6,476	3,129

Semiconductors

Achronix Semiconductor Corporation (15)	Semiconductors	Warrant	Preferred Series C	360,000	160	434
	Semiconductors	Warrant	Preferred Series D-2	750,000	99	648
Total Achronix Semiconductor Corporation				1,110,000	259	1,082
Aquantia Corp. (4)	Semiconductors	Warrant	Common Stock	19,683	4	41
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	141,567	46	219
Subtotal: Semiconductors (0.16%)*					309	1,342

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽³⁾	Value ⁽⁴⁾
Software						
Actifio, Inc.	Software	Warrant	Common Stock	73,584	\$249	\$ 65
	Software	Warrant	Preferred Series F	31,673	343	79
Total Actifio, Inc.				105,257	592	144
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	—
CareCloud Corporation ⁽¹⁵⁾	Software	Warrant	Preferred Series B	413,433	258	44
Clickfox, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series B	1,038,563	330	35
	Software	Warrant	Preferred Series C	592,019	730	38
	Software	Warrant	Preferred Series C-A	2,218,214	230	1,441
Total Clickfox, Inc.				3,848,796	1,290	1,514
DNAnexus, Inc.	Software	Warrant	Preferred Series C	909,091	97	62
Evernote Corporation ⁽¹⁵⁾	Software	Warrant	Common Stock	62,500	106	218
Fuze, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series F	256,158	89	5
Lightbend, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C-1	391,778	79	75
Mattersight Corporation ⁽⁴⁾	Software	Warrant	Common Stock	357,143	538	88
Message Systems, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C	503,718	334	464
Mobile Posse, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C	396,430	130	155
Neos, Inc. ⁽¹⁵⁾	Software	Warrant	Common Stock	221,150	22	—
NewVoiceMedia Limited ⁽⁵⁾⁽¹⁰⁾	Software	Warrant	Preferred Series E	225,586	33	142
OneLogin, Inc. ⁽¹⁵⁾	Software	Warrant	Common Stock	228,972	150	172
PerfectServe, Inc.	Software	Warrant	Preferred Series C	129,073	720	1,089
Poplicus, Inc.	Software	Warrant	Common Stock	132,168	—	—
Quid, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series D	71,576	1	6
RapidMiner, Inc.	Software	Warrant	Preferred Series C-1	4,982	24	32
RedSeal Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C-Prime	640,603	66	38
Signpost, Inc.	Software	Warrant	Preferred Series C	324,005	314	108
Wrike, Inc.	Software	Warrant	Common Stock	698,760	462	1,273

Subtotal: Software (0.68%)*				5,493	5,629	
Specialty Pharmaceuticals						
Alimera Sciences, Inc. ⁽⁴⁾	Specialty Pharmaceuticals	Warrant	Common Stock	1,717,709	861	256
Subtotal: Specialty Pharmaceuticals (0.03%)*				861	256	
Surgical Devices						
Gynesonics, Inc. ⁽¹⁵⁾	Surgical Devices	Warrant	Preferred Series C	180,480	75	16
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	307
Total Gynesonics, Inc.				1,756,445	395	323
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	16
	Surgical Devices	Warrant	Preferred Series D	175,000	100	474
	Surgical Devices	Warrant	Preferred Series F	50,544	38	62
Total Transmedics, Inc.				265,980	363	552
Subtotal: Surgical Devices (0.11%)*				758	875	

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽³⁾	Value ⁽⁴⁾
Sustainable and Renewable Technology						
Agrivida, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series D	471,327	\$ 120	\$—
American Superconductor Corporation ⁽⁴⁾	Sustainable and Renewable Technology	Warrant	Common Stock	58,823	39	41
Calera, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series C	44,529	513	—
EcoMotors, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series B	437,500	308	—
Fluidic, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series D	61,804	102	—
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Warrant	Common Stock	5,310	181	—
	Sustainable and Renewable Technology	Warrant	Preferred Series 2-A	63	50	—
Total Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)				5,373	231	—
Fulcrum Bioenergy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series C-1	280,897	275	457
GreatPoint Energy, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series D-1	393,212	548	—
Kinestral Technologies, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series A	325,000	155	92
		Warrant		131,883	63	27

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

	Sustainable and Renewable Technology		Preferred Series B			
Total Kinestral Technologies, Inc.				456,883	218	119
Polyera Corporation ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series C	311,609	338	—
Proterra, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 4	477,517	41	518
Rive Technology, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series E	234,477	12	3
Stion Corporation ⁽⁶⁾	Sustainable and Renewable Technology	Warrant	Preferred Series Seed	2,154	1,378	—
TAS Energy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series AA	428,571	299	—
Tendril Networks	Sustainable and Renewable Technology	Warrant	Preferred Series 3-A	1,019,793	189	—
Subtotal: Sustainable and Renewable Technology (0.14%)*					4,611	1,138
Total: Warrant Investments (4.01%)*					42,708	33,253
Total Investments in Securities (179.02%)*					\$1,576,278	\$1,483,578

* Value as a percent of net assets

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

(2) Interest rate PRIME represents 4.75% at March 31, 2018. Daily LIBOR, 1-month LIBOR, 3-month LIBOR and 12-month LIBOR represent 1.70%, 1.88%, 2.31% and 2.66%, respectively, at March 31, 2018.

(3) Gross unrealized appreciation, gross unrealized depreciation, and net unrealized depreciation for federal income tax purposes totaled \$26.2 million, \$128.1 million and \$101.8 million respectively. The tax cost of investments is \$1.6 billion.

(4) Except for warrants in 41 publicly traded companies and common stock in 20 publicly traded companies, all investments are restricted at March 31, 2018 and were valued at fair value using Level 3 significant unobservable inputs as determined in good faith by the Company's board of directors (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.

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

(6) Affiliate investment as defined under the Investment Company Act of 1940, as amended, (the "1940 Act") in which Hercules owns at least 5% but generally less than 25% of the company's voting securities.

(7) Control investment as defined under the 1940 Act in which Hercules owns at least 25% of the company's voting securities or has greater than 50% representation on its board.

(8) Debt is on non-accrual status at March 31, 2018, and is therefore considered non-income producing. Note that at March 31, 2018, only the \$10.7 million PIK, or payment-in-kind, loan is on non-accrual for the Company's debt investment in Tectura Corporation.

- (9) Denotes that all or a portion of the debt investment is convertible debt.
- (10) Indicates assets that the Company deems not “qualifying assets” under section 55(a) of 1940 Act. 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 is pledged as collateral under the Wells Facility (as defined in Note 4).
- (13) Denotes that all or a portion of the debt investment is pledged as collateral under the Union Bank Facility (as defined in Note 4).
- (14) Denotes that all or a portion of the debt investment principal includes accumulated PIK interest and is net of repayments.
- (15) Denotes that all or a portion of the investment in this portfolio company is held by Hercules Technology II, L.P., or HT II, or Hercules Technology III, L.P., or HT III, the Company’s wholly owned small business investment companies, or SBIC, subsidiaries.
- (16) Denotes that the fair value of the Company’s total investments in this portfolio company represent greater than 5% of the Company’s total assets at March 31, 2018.
- (17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company at March 31, 2018. Refer to Note 10.
- (18) Denotes unitranche debt with first lien “last-out” senior secured position and security interest in all assets of the portfolio company whereby the “last-out” portion will be subordinated to the “first-out” portion in a liquidation, sale or other disposition.
- (19) Denotes second lien senior secured debt.

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Debt Investments							
Biotechnology Tools							
1-5 Years Maturity							
Exicure, Inc. ⁽¹²⁾	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45%			
				or Floor rate of 9.95%, 3.85% Exit Fee	\$4,999	\$5,115	\$5,146
Subtotal: 1-5 Years Maturity						5,115	5,146
Subtotal: Biotechnology Tools (0.61%)*						5,115	5,146
Communications & Networking							
Under 1 Year Maturity							
OpenPeak, Inc. ⁽⁸⁾	Communications & Networking	Senior Secured	April 2018	Interest rate PRIME + 8.75%			
				or Floor rate of 12.00%	\$11,464	8,228	—
Subtotal: Under 1 Year Maturity						8,228	—
Subtotal: Communications & Networking (0.00%)*						8,228	—
Consumer & Business Products							
Under 1 Year Maturity							
Antenna79 (p.k.a. Pong Research Corporation) ⁽¹⁵⁾	Consumer & Business Products	Senior Secured	December 2018	Interest rate PRIME + 6.00%			
				or Floor rate of 9.50%	\$1,000	1,000	1,000
Subtotal: Under 1 Year Maturity						1,000	1,000
1-5 Years Maturity							

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Antenna79 (p.k.a. Pong Research Corporation) ⁽¹⁵⁾	Consumer & Business Products	Senior Secured	December 2019	Interest rate PRIME + 7.45%			
				or Floor rate of 10.95%, 2.95% Exit Fee	\$18,440	18,580	18,571
Second Time Around (Simplify Holdings, LLC) ⁽⁷⁾⁽⁸⁾⁽¹⁵⁾	Consumer & Business Products	Senior Secured	February 2019	Interest rate PRIME + 7.25%			
				or Floor rate of 10.75%, 4.75% Exit Fee	\$1,746	1,781	—
Subtotal: 1-5 Years Maturity						20,361	18,571
Subtotal: Consumer & Business Products (2.33%)*						21,361	19,571
Drug Delivery							
Under 1 Year Maturity							
Agile Therapeutics, Inc. ⁽¹¹⁾	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75%			
				or Floor rate of 9.00%, 3.70% Exit Fee	\$10,888	11,292	11,292
Pulmatrix Inc. ⁽⁹⁾⁽¹¹⁾	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25%			
				or Floor rate of 9.50%, 3.50% Exit Fee	\$3,259	3,455	3,455
ZP Opco, Inc (p.k.a. Zosano Pharma) ⁽¹¹⁾	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 2.70%			
				or Floor rate of 7.95%, 2.87% Exit Fee	\$6,316	6,609	6,609
Subtotal: Under 1 Year Maturity						21,356	21,356
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc. ⁽¹⁰⁾⁽¹¹⁾⁽¹⁵⁾	Drug Delivery	Senior Secured	March 2020	Interest rate PRIME + 6.05%			
				or Floor rate of 9.55%, 11.69% Exit Fee	\$18,653	18,925	18,875
Antares Pharma Inc. ⁽¹⁰⁾⁽¹⁵⁾	Drug Delivery	Senior Secured	July 2022	Interest rate PRIME + 4.50%			
				or Floor rate of 9.00%, 4.25% Exit Fee	\$25,000	25,006	24,958
Edge Therapeutics, Inc. ⁽¹²⁾	Drug Delivery	Senior Secured	February 2020	Interest rate PRIME + 4.65%			
				or Floor rate of 9.15%, 4.95% Exit Fee	\$20,000	20,377	20,331
Subtotal: 1-5 Years Maturity						64,308	64,164
Subtotal: Drug Delivery (10.17%)*						85,664	85,520

See notes to consolidated financial statements.

24

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Drug Discovery & Development							
Under 1 Year Maturity							
CytRx Corporation (11)(15)	Drug Discovery & Development	Senior Secured	August 2018	Interest rate PRIME + 6.00% or Floor rate of 9.50%, 7.09% Exit Fee	\$9,986	\$11,172	\$11,172
Epirus Biopharmaceuticals, Inc. ⁽⁸⁾	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 3.00% Exit Fee	\$3,027	3,310	340
Subtotal: Under 1 Year Maturity						14,482	11,512
1-5 Years Maturity							
Auris Medical Holding, AG ⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Senior Secured	January 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%, 5.75% Exit Fee	\$10,341	10,610	10,563

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Aveo Pharmaceuticals, Inc. ⁽¹⁰⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	July 2021	Interest rate PRIME + 4.70%			
				or Floor rate of 9.45%, 5.40%			
				Exit Fee	\$ 10,000	10,345	10,344
	Drug Discovery & Development	Senior Secured	July 2021	Interest rate PRIME + 4.70%			
				or Floor rate of 9.45%, 3.00%			
				Exit Fee	\$ 10,000	9,918	9,915
Total Aveo Pharmaceuticals, Inc.					\$ 20,000	20,263	20,259
Axovant Sciences Ltd. ⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Senior Secured	March 2021	Interest rate PRIME + 6.80%			
				or Floor rate of 10.55%	\$ 55,000	53,631	53,448
Brickell Biotech, Inc. ⁽¹²⁾	Drug Discovery & Development	Senior Secured	September 2019	Interest rate PRIME + 5.70%			
				or Floor rate of 9.20%, 6.75%			
				Exit Fee	\$ 6,090	6,380	6,361
Chemocentryx, Inc. ⁽¹⁰⁾⁽¹⁵⁾⁽¹⁷⁾	Drug Discovery & Development	Senior Secured	December 2021	Interest rate PRIME + 3.30%			
				or Floor rate of 8.05%, 6.25%			
				Exit Fee	\$ 5,000	4,947	4,947
Genocea Biosciences, Inc. ⁽¹¹⁾	Drug Discovery & Development	Senior Secured	January 2019	Interest rate	\$ 13,851	14,482	14,385

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Development

PRIME +
2.25%

or Floor
rate of
7.25%,
4.95%
Exit Fee

Inmed, Incorporated (11)	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 4.75%			
				or Floor rate of 9.25%, 4.86%			
				Exit Fee	\$ 55,000	55,425	54,963

Metuchen Pharmaceuticals LLC (12)(14)	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 7.25%			
				or Floor rate of 10.75%,			
				PIK Interest 1.35%, 2.25%			
				Exit Fee	\$ 25,561	25,721	25,643

Motif BioSciences Inc. (15)	Drug Discovery & Development	Senior Secured	September 2021	Interest rate PRIME + 5.50%			
				or Floor rate of 10.00%, 2.15%			
				Exit Fee	\$ 15,000	14,651	14,651

Myovant Sciences, Ltd. (5)(10)(13)(17)	Drug Discovery & Development	Senior Secured	May 2021	Interest rate PRIME + 4.00%	\$ 25,000	24,704	24,704
				or Floor rate of 8.25%, 6.55%			

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽¹⁵⁾	Drug Discovery & Development	Senior Secured	September 2020	Exit Fee			
				Interest rate PRIME + 2.75%			
				or Floor rate of 8.50%, 4.50%			
				Exit Fee	\$ 40,000	40,144	39,829
	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75%			
				or Floor rate of 8.50%, 4.50%			
				Exit Fee	\$ 10,000	10,040	9,958
					Drug Discovery & Development	Senior Secured	September 2020
or Floor rate of 8.50%, 2.25%							
Exit Fee	\$ 10,000	9,964	9,895				
Total Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)							
PhaseRx, Inc. ⁽¹⁵⁾	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 5.75%			
				or Floor rate of 9.25%, 5.85%			
				Exit Fee	\$ 4,694	4,842	1,917
				Stealth Bio Therapeutics Corp. ⁽⁵⁾⁽¹⁰⁾⁽¹²⁾	Drug Discovery & Development	Senior Secured	January 2021
or Floor rate of 9.50%,							

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				5.00%			
				Exit Fee			
uniQure B.V. ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾	Drug Discovery & Development	Senior Secured	May 2020	Interest rate PRIME + 3.00%			
				or Floor rate of 8.25%, 5.48%			
				Exit Fee	\$ 20,000	20,579	20,543
Verastem, Inc. ⁽¹²⁾⁽¹⁷⁾	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00%			
				or Floor rate of 10.50%, 4.50%			
				Exit Fee	\$ 5,000	4,957	4,910
	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00%			
				or Floor rate of 10.50%, 4.50%			
				Exit Fee	\$ 5,000	4,996	4,949
	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00%			
				or Floor rate of 10.50%, 4.50%			
				Exit Fee	\$ 5,000	4,953	4,907
Total Verastem, Inc.					\$ 15,000	14,906	14,766
Subtotal: 1-5 Years Maturity						346,187	341,679
Subtotal: Drug Discovery & Development (42.00%)*						360,669	353,191

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Electronics & Computer Hardware							
1-5 Years Maturity							
908 DEVICES INC. ⁽¹⁵⁾	Electronics & Computer Hardware	Senior Secured	September 2020	Interest rate PRIME + 4.00%			
				or Floor rate of 8.25%, 4.25%			
				Exit Fee	\$ 10,000	\$ 10,014	\$ 9,887
Subtotal: 1-5 Years Maturity						10,014	9,887
Subtotal: Electronics & Computer Hardware (1.18%)*						10,014	9,887
Healthcare Services, Other							
1-5 Years Maturity							
Medsphere Systems Corporation ⁽¹⁴⁾⁽¹⁵⁾	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75%			
				or Floor rate of 9.00%,			
				PIK Interest 1.75%	\$ 17,607	17,437	17,437
	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75%			
				or Floor rate of 9.00%,			
				PIK Interest 1.75%	\$ 5,009	4,963	4,963
					\$ 22,616	22,400	22,400

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Total Medsphere Systems Corporation

Oak Street Health (12)	Healthcare Services, Other	Senior Secured	September 2021	Interest rate PRIME + 5.00%			
				or Floor rate of 9.75%, 5.95%			
				Exit Fee	\$ 20,000	19,965	19,965
PH Group Holdings (13)	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45%			
				or Floor rate of 10.95%	\$ 20,000	19,878	19,803
	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45%			
				or Floor rate of 10.95%	\$ 10,000	9,922	9,840
Total PH Group Holdings					\$ 30,000	29,800	29,643
Subtotal: 1-5 Years Maturity						72,165	72,008
Subtotal: Healthcare Services, Other (8.56%)*						72,165	72,008

Information Services

1-5 Years Maturity

MDX Medical, Inc. (14)(15)(17)	Information Services	Senior Secured	December 2020	Interest rate PRIME + 4.25%			
				or Floor rate of 8.25%,			
				PIK Interest 1.70%	\$ 7,568	7,369	7,327
Netbase Solutions, Inc. (13)(14)	Information Services	Senior Secured	August 2020	Interest rate PRIME + 6.00%			
				or Floor rate of 10.00%,			
				PIK Interest 2.00%, 3.00%			
				Exit Fee	\$ 9,051	8,730	8,730
Subtotal: 1-5 Years Maturity						16,099	16,057
Subtotal: Information Services (1.91%)*						16,099	16,057

See notes to consolidated financial statements.

26

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Internet Consumer & Business Services							
1-5 Years Maturity							
AppDirect, Inc.	Internet Consumer & Business Services	Senior Secured	January 2022	Interest rate PRIME + 5.70% or Floor rate of 9.95%, 3.45% Exit Fee	\$10,000	\$9,885	\$9,885
Aria Systems, Inc. (11)(14)	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%, 1.50% Exit Fee	\$2,103	2,104	1,803
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%, 1.50% Exit Fee	\$18,832	18,839	16,144
Total Aria Systems, Inc.					\$20,935	20,943	17,947
Greenphire Inc.			January 2021		\$3,883	3,883	3,883

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

	Internet Consumer & Business Services	Senior Secured		Interest rate 3-month LIBOR + 8.00%			
				or Floor rate of 9.00%			
	Internet Consumer & Business Services	Senior Secured	January 2019	Interest rate PRIME + 3.75%			
				or Floor rate of 7.00%	\$ 1,000	1,000	1,000
Total Greenphire Inc.					\$4,883	4,883	4,883
Intent Media, Inc. (14)(15)	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.25%			
				or Floor rate of 8.75%,			
				PIK Interest 1.00%, 2.00% Exit Fee	\$ 5,050	5,011	5,027
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50%			
				or Floor rate of 9.00%,			
				PIK Interest 2.35%, 2.00% Exit Fee	\$ 2,020	1,987	1,991
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50%			
				or Floor rate of 9.00%,			
				PIK Interest 2.50%, 2.00% Exit Fee	\$ 2,022	1,988	1,992
Total Intent Media, Inc.					\$9,092	8,986	9,010
Interactions Corporation	Internet Consumer & Business Services	Senior Secured	March 2021	Interest rate 3-month LIBOR +	\$25,000	25,013	25,013

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				8.60%			
				or Floor rate of 9.85%, 1.75% Exit Fee			
LogicSource ⁽¹⁵⁾	Internet Consumer & Business Services	Senior Secured	October 2019	Interest rate PRIME + 6.25%			
				or Floor rate of 9.75%, 5.00% Exit Fee	\$6,452	6,701	6,726
Snagajob.com, Inc. (13)(14)	Internet Consumer & Business Services	Senior Secured	July 2020	Interest rate PRIME + 5.15%			
				or Floor rate of 9.15%, PIK Interest 1.95%, 2.55% Exit Fee	\$41,023	40,633	41,036
Tectura Corporation ⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁴⁾	Internet Consumer & Business Services	Senior Secured	June 2021	Interest rate FIXED 6.00%, PIK Interest 3.00%	\$20,298	20,298	19,219
	Internet Consumer & Business Services	Senior Secured	June 2021	PIK Interest 8.00%	\$11,015	240	—
Total Tectura Corporation					\$31,313	20,538	19,219
The Faction Group	Internet Consumer & Business Services	Senior Secured	January 2021	Interest rate 3-month LIBOR + 9.25%			
				or Floor rate of 10.25%	\$8,000	8,000	8,000
	Internet Consumer & Business Services	Senior Secured	January 2019	Interest rate PRIME + 4.75%			
				or Floor rate of 8.25%	\$2,000	2,000	2,000
Total The Faction Group					\$10,000	10,000	10,000
Subtotal: 1-5 Years Maturity						147,582	143,719
Subtotal: Internet Consumer & Business Services (17.09%)*						147,582	143,719

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Media/Content/Info							
Under 1 Year Maturity							
Machine Zone, Inc. (14)(16)	Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 2.50%			
				or Floor rate of 6.75%,			
				PIK Interest 3.00%	\$ 106,986	106,641	106,641
Subtotal: Under 1 Year Maturity						106,641	106,641
1-5 Years Maturity							
Bustle (14)(15)	Media/Content/Info	Senior Secured	June 2021	Interest rate PRIME + 4.10%			
				or Floor rate of 8.35%,			
				PIK Interest 1.95%, 1.95% Exit Fee	\$ 15,016	14,935	14,935
FanDuel, Inc. (9)(12)(14)	Media/Content/Info	Senior Secured	November 2019	Interest rate PRIME + 7.25%			
				or Floor rate of 10.75%, 10.41% Exit Fee	\$ 19,354	19,762	19,695
	Media/Content/Info	Convertible Debt	September 2020	PIK Interest 25.00%	\$ 1,000	1,000	1,000
Total FanDuel, Inc.					\$ 20,354	20,762	20,695
Subtotal: 1-5 Years Maturity						35,697	35,630
Subtotal: Media/Content/Info (16.92%)*						142,338	142,271

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Medical Devices & Equipment							
Under 1 Year Maturity							
Amedica Corporation ⁽⁹⁾⁽¹⁵⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 8.25% Exit Fee	\$ 605	\$ 2,255	\$ 2,255
Aspire Bariatrics, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 4.00% or Floor rate of 9.25%, 5.42% Exit Fee	\$ 2,527	2,848	2,848
Subtotal: Under 1 Year Maturity						5,103	5,103
1-5 Years Maturity							
IntegenX, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%, 6.75% Exit Fee	\$ 12,500	13,042	12,991
	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05%	\$ 2,500	2,599	2,598

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				or Floor rate of 10.05%, 6.75% Exit Fee			
	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05%			
				or Floor rate of 10.05%, 9.75% Exit Fee	\$ 2,500	2,618	2,601
Total IntegenX, Inc.					\$ 17,500	18,259	18,190
Intuity Medical, Inc. (15)	Medical Devices & Equipment	Senior Secured	June 2021	Interest rate PRIME + 5.00%			
				or Floor rate of 9.25%, 4.95% Exit Fee	\$ 17,500	17,013	17,013
Micell Technologies, Inc. (12)	Medical Devices & Equipment	Senior Secured	August 2019	Interest rate PRIME + 7.25%			
				or Floor rate of 10.50%, 5.00% Exit Fee	\$ 5,469	5,744	5,708
Quanta Fluid Solutions (5)(10)(11)	Medical Devices & Equipment	Senior Secured	April 2020	Interest rate PRIME + 8.05%			
				or Floor rate of 11.55%, 5.00% Exit Fee	\$ 10,117	10,432	10,386
Quanterix Corporation (11)	Medical Devices & Equipment	Senior Secured	March 2019	Interest rate PRIME + 2.75%			
				or Floor rate of 8.00%, 4.00% Exit Fee	\$ 9,043	9,477	9,477
Sebacia, Inc. (15)	Medical Devices & Equipment	Senior Secured	July 2020	Interest rate PRIME + 4.35%	\$ 8,000	7,927	7,919
				or Floor rate of 8.85%,			

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				6.05% Exit Fee			
Tela Bio, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Senior Secured	December 2020	Interest rate PRIME + 4.95%			
				or Floor rate of 9.45%, 3.15% Exit Fee	\$ 5,000	4,991	4,973
Subtotal: 1-5 Years Maturity						73,843	73,666
Subtotal: Medical Devices & Equipment (9.37%)*						78,946	78,769
Semiconductors							
1-5 Years Maturity							
Achronix Semiconductor Corporation ⁽¹⁵⁾⁽¹⁷⁾	Semiconductors	Senior Secured	August 2020	Interest rate PRIME + 7.00%			
				or Floor rate of 11.00%, 12.50% Exit Fee	\$ 5,000	5,084	5,100
				Interest rate PRIME + 6.00%			
				or Floor rate of 10.00%	\$ 4,274	4,274	4,273
Total Achronix Semiconductor Corporation						\$ 9,274	9,358
Subtotal: 1-5 Years Maturity						9,358	9,373
Subtotal: Semiconductors (1.11%)*						9,358	9,373

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Software							
Under 1 Year Maturity							
Clickfox, Inc. ⁽¹³⁾	Software	Senior Secured	May 2018	Interest rate PRIME + 8.00%			
				or Floor rate of 11.50%, 12.01% Exit Fee	\$6,378	\$7,671	\$7,671
Digital Train Limited (p.k.a. Jumpstart Games, Inc.) ⁽¹⁵⁾	Software	Senior Secured	July 2018	Interest rate 12-month LIBOR + 2.50%	\$5,671	5,671	4,073
Subtotal: Under 1 Year Maturity						13,342	11,744
1-5 Years Maturity							
Clarabridge, Inc. ⁽¹²⁾⁽¹⁴⁾	Software	Senior Secured	April 2021	Interest rate PRIME + 4.80%			
				or Floor rate of 8.55%,			
				PIK Interest 3.25%	\$40,893	40,870	41,063
Emma, Inc.	Software	Senior Secured	September 2022	Interest rate daily LIBOR + 7.75%			
				or Floor rate of 8.75%	\$50,000	48,565	48,565
Evernote Corporation ⁽¹⁴⁾⁽¹⁵⁾⁽¹⁷⁾	Software	Senior Secured	October 2020	Interest rate PRIME +	\$6,000	5,974	6,100

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				5.45%				
				or Floor rate of 8.95%				
	Software	Senior Secured	July 2021	Interest rate PRIME + 6.00%				
				or Floor rate of 9.50%,				
				PIK Interest 1.25%	\$ 4,023	3,999	3,992	
Total Evernote Corporation					\$ 10,023	9,973	10,092	
Fuze, Inc. ⁽¹³⁾⁽¹⁴⁾⁽¹⁵⁾	Software	Senior Secured	July 2021	Interest rate PRIME + 3.70%				
				or Floor rate of 7.95%,				
				PIK Interest 1.55%, 3.55%				
				Exit Fee	\$ 50,332	50,464	50,420	
Impact Radius Holdings, Inc. ⁽¹⁴⁾⁽¹⁷⁾	Software	Senior Secured	December 2020	Interest rate PRIME + 4.25%				
				or Floor rate of 8.75%,				
				PIK Interest 1.55%, 1.75%				
				Exit Fee	\$ 7,544	7,552	7,498	
Lithium Technologies, Inc. ⁽¹⁷⁾	Software	Senior Secured	October 2022	Interest rate 1-month LIBOR + 8.00%				
				or Floor rate of 9.00%	\$ 12,000	11,740	11,740	
Microsystems Holding Company, LLC	Software	Senior Secured	July 2022	Interest rate 3-month LIBOR + 8.25%				
				or Floor rate of 9.25%	\$ 12,000	11,821	11,821	
OneLogin, Inc. ⁽¹⁴⁾⁽¹⁵⁾	Software	Senior Secured	August 2019	Interest rate PRIME + 6.45%	\$ 15,883	15,811	16,071	

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				or Floor rate of 9.95%,			
				PIK Interest 3.25%			
PerfectServe, Inc.	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.00%			
				or Floor rate of 10.00%, 2.50%			
				Exit Fee	\$ 16,000	16,023	16,023
	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.00%			
				or Floor rate of 10.00%, 2.50%			
				Exit Fee	\$ 4,000	4,005	4,005
Total PerfectServe, Inc.					\$ 20,000	20,028	20,028
Pollen, Inc. ⁽¹⁵⁾	Software	Senior Secured	April 2019	Interest rate PRIME + 4.25%			
				or Floor rate of 8.50%, 4.00%			
				Exit Fee	\$ 7,000	6,964	6,964
Poplicus, Inc. ⁽⁸⁾⁽¹⁴⁾	Software	Senior Secured	May 2022	Interest rate FIXED 6.00%,			
				PIK Interest 3.00%	\$ 1,250	1,250	—
Quid, Inc. ⁽¹⁴⁾⁽¹⁵⁾	Software	Senior Secured	October 2019	Interest rate PRIME + 4.75%			
				or Floor rate of 8.25%,			
				PIK Interest 2.25%, 3.00%			
				Exit Fee	\$ 8,303	8,397	8,430
RapidMiner, Inc. ⁽¹⁴⁾	Software	Senior Secured	December 2020	Interest rate PRIME + 5.50%	\$ 7,001	6,971	6,971
				or Floor rate of 9.75%,			

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				PIK Interest 1.65%			
Regent Education ⁽¹⁴⁾	Software	Senior Secured	January 2021	Interest rate FIXED 10.00%,			
				PIK Interest 2.00%, 6.35%			
				Exit Fee	\$ 3,285	3,291	3,291
Signpost, Inc. ⁽¹⁴⁾	Software	Senior Secured	February 2020	Interest rate PRIME + 4.15%			
				or Floor rate of 8.15%,			
				PIK Interest 1.75%, 3.75%			
				Exit Fee	\$ 15,510	15,603	15,685
Vela Trading Technologies	Software	Senior Secured	July 2022	Interest rate daily LIBOR + 9.50%			
				or Floor rate of 10.50%	\$ 20,000	19,495	19,557
Wrike, Inc. ⁽¹⁴⁾⁽¹⁷⁾	Software	Senior Secured	February 2021	Interest rate PRIME + 6.00%			
				or Floor rate of 9.50%,			
				PIK Interest 2.00%, 3.00%			
				Exit Fee	\$ 10,165	9,971	10,007
ZocDoc	Software	Senior Secured	April 2021	Interest rate 3-month LIBOR + 9.50%			
				or Floor rate of 10.50%, 1.00%			
				Exit Fee	\$ 20,000	20,011	20,011
	Software	Senior Secured	November 2021	Interest rate 3-month LIBOR + 9.50%			
				or Floor rate of 10.50%, 1.00%			
				Exit Fee	\$ 10,000	10,005	10,005

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Total ZocDoc	\$30,000	30,016	30,016
Subtotal: 1-5 Years Maturity		318,782	318,219
Subtotal: Software (39.24%)*		332,124	329,963

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment	Maturity Date	Interest Rate and Floor ⁽²⁾	Principal Amount	Cost ⁽³⁾	Value ⁽⁴⁾
Specialty Pharmaceuticals							
Under 1 Year Maturity							
Jaguar Animal Health, Inc. ⁽¹¹⁾	Specialty Pharmaceuticals	Senior Secured	August 2018	Interest rate PRIME + 5.65% or Floor rate of 9.90%, 7.00% Exit Fee	\$ 1,089	\$ 1,496	\$ 1,496
Subtotal: Under 1 Year Maturity						1,496	1,496
1-5 Years Maturity							
Alimera Sciences, Inc. ⁽¹¹⁾⁽¹⁴⁾	Specialty Pharmaceuticals	Senior Secured	November 2020	Interest rate PRIME + 7.50% or Floor rate of 11.00%, PIK Interest 1.00%, 4.00% Exit Fee	\$ 35,398	35,517	35,517
Subtotal: 1-5 Years Maturity						35,517	35,517
Subtotal: Specialty Pharmaceuticals (4.40%)*						37,013	37,013
Surgical Devices							
1-5 Years Maturity							
Transmedics, Inc. ⁽¹³⁾	Surgical Devices	Senior Secured	February 2020	Interest rate PRIME +	\$ 8,500	8,756	8,757

					5.30%			
					or Floor rate of 9.55%, 6.70% Exit Fee			
Subtotal: 1-5 Years Maturity						8,756	8,757	
Subtotal: Surgical Devices (1.04%)*						8,756	8,757	
Sustainable and Renewable Technology								
Under 1 Year Maturity								
FuelCell Energy, Inc. ⁽¹²⁾	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate PRIME + 5.50%				
					or Floor rate of 9.50%, 8.50% Exit Fee	\$ 16,806	18,190	18,190
Kinestral Technologies Inc.	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate 3-month LIBOR + 7.75%				
					or Floor rate of 8.75%, 3.23% Exit Fee	\$ 3,867	3,882	3,882
Subtotal: Under 1 Year Maturity							22,072	22,072
1-5 Years Maturity								
ChargePoint Inc.	Sustainable and Renewable Technology	Senior Secured	August 2020	Interest rate 3-month LIBOR + 8.75%				
					or Floor rate of 9.75%, 2.00% Exit Fee	\$ 19,394	19,416	19,416
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.) ⁽⁶⁾	Sustainable and Renewable Technology	Senior Secured	August 2019	Interest rate PRIME + 8.70%				
					or Floor rate of 12.95%, 4.50% Exit Fee	\$ 14,000	13,604	13,604
Proterra, Inc. ⁽¹¹⁾⁽¹⁴⁾⁽¹⁷⁾	Sustainable and Renewable Technology	Senior Secured	November 2020	Interest rate PRIME + 3.70%	\$ 25,036	25,997	26,097	

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

				or Floor rate of 7.95%,			
				PIK Interest 1.75%, 5.95% Exit Fee			
	Sustainable and Renewable Technology	Senior Secured	November 2020	Interest rate PRIME + 3.70%			
				or Floor rate of 7.95%,			
				PIK Interest 1.75%, 7.00% Exit Fee	\$ 5,007	5,173	5,190
Total Proterra, Inc.					\$ 30,043	31,170	31,287
Rive Technology, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Senior Secured	January 2019	Interest rate PRIME + 6.20%			
				or Floor rate of 9.45%, 4.00% Exit Fee	\$ 4,258	4,498	4,515
Tendrill Networks ⁽¹²⁾	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate FIXED 9.25%, 8.50% Exit Fee	\$ 13,156	13,863	13,845
Subtotal: 1-5 Years Maturity						82,551	82,667
Subtotal: Sustainable and Renewable Technology (12.45%)*						104,623	104,739
Total: Debt Investments (168.38%)*						1,440,055	1,415,984

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost (3)	Value (4)
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc. (15)	Biotechnology Tools	Equity	Common Stock	55,780	\$ 500	\$ —
Subtotal: Biotechnology Tools (0.00%)*					500	—
Communications & Networking						
Achilles Technology Management Co II, Inc. (7)(15)	Communications & Networking	Equity	Common Stock	100	3,100	242
GlowPoint, Inc. (4)	Communications & Networking	Equity	Common Stock	114,192	102	41
Peerless Network Holdings, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	5,865
Subtotal: Communications & Networking (0.73%)*					4,202	6,148
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	720
Subtotal: Diagnostic (0.09%)*					750	720
Drug Delivery						
AcelRx Pharmaceuticals, Inc. (4)(10)	Drug Delivery	Equity	Common Stock	54,240	108	109
BioQ Pharma Incorporated (15)	Drug Delivery	Equity	Preferred Series D	165,000	500	826
Edge Therapeutics, Inc. (4)	Drug Delivery	Equity	Common Stock	49,965	309	468
Neos Therapeutics, Inc. (4)(15)	Drug Delivery	Equity	Common Stock	125,000	1,500	1,275
Subtotal: Drug Delivery (0.32%)*					2,417	2,678
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc. (4)(10)(15)	Drug Discovery & Development	Equity	Common Stock	1,901,791	1,715	5,315

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

Axovant Sciences Ltd. ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾	Drug Discovery & Development	Equity	Common Stock	129,827	1,270	707
Cerecor, Inc. ⁽⁴⁾	Drug Discovery & Development	Equity	Common Stock	119,087	1,000	381
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.) ⁽⁴⁾	Drug Discovery & Development	Equity	Common Stock	13,550	1,000	29
Dicerna Pharmaceuticals, Inc. ⁽⁴⁾⁽¹⁵⁾	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	1,290
Dynavax Technologies ⁽⁴⁾⁽¹⁰⁾	Drug Discovery & Development	Equity	Common Stock	20,000	550	374
Epirus Biopharmaceuticals, Inc. ⁽⁴⁾	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	—
Genocea Biosciences, Inc. ⁽⁴⁾	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	259
Inotek Pharmaceuticals Corporation ⁽⁴⁾	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	10
Insmed, Incorporated ⁽⁴⁾	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	2,154
Melinta Therapeutics ⁽⁴⁾	Drug Discovery & Development	Equity	Common Stock	43,840	2,000	693
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽⁴⁾	Drug Discovery & Development	Equity	Common Stock	76,362	2,743	1,367
Subtotal: Drug Discovery & Development (1.50%)*					16,778	12,579
Electronics & Computer Hardware						
Identiv, Inc. ⁽⁴⁾	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	22
Subtotal: Electronics & Computer Hardware (0.00%)*					34	22
Information Services						
DocuSign, Inc.	Information Services	Equity	Common Stock	385,000	6,081	8,011
Subtotal: Information Services (0.95%)*					6,081	8,011

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost (3)	Value (4)
Internet Consumer & Business Services						
Blurb, Inc. (15)	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	\$175	\$46
Brigade Group, Inc. (p.k.a. Philotic, Inc.)	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	—
Lightspeed POS, Inc. (5)(10)	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	233
	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	213
Total Lightspeed POS, Inc.				428,707	500	446
OfferUp, Inc.	Internet Consumer & Business Services	Equity	Preferred Series A	286,080	1,663	2,236
	Internet Consumer & Business Services	Equity	Preferred Series A-1	108,710	632	850
Total OfferUp, Inc.				394,790	2,295	3,086
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	451
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	255
Total Oportun (p.k.a. Progress Financial)				306,153	500	706
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	49
Tectura Corporation (7)	Internet Consumer & Business Services	Equity	Preferred Series BB	1,000,000	—	—
Subtotal: Internet Consumer & Business Services (0.52%)*					3,578	4,333
Media/Content/Info						
Pinterest, Inc.	Media/Content/Info	Equity	Preferred Series Seed	620,000	4,085	5,055
Subtotal: Media/Content/Info (0.60%)*					4,085	5,055

Medical Devices & Equipment

AtriCure, Inc. ⁽⁴⁾⁽¹⁵⁾	Medical Devices & Equipment	Equity	Common Stock	7,536	266	138
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series AA	221,893	1,500	—
Gelesis, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Equity	Common Stock	198,202	—	879
	Medical Devices & Equipment	Equity	Preferred Series A-1	191,210	425	939
	Medical Devices & Equipment	Equity	Preferred Series A-2	191,626	500	894
Total Gelesis, Inc.				581,038	925	2,712
Medrobotics Corporation ⁽¹⁵⁾	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	302
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	225
	Medical Devices & Equipment	Equity	Preferred Series G	163,934	500	532
Total Medrobotics Corporation				374,703	905	1,059
Optiscan Biomedical, Corp. ⁽⁶⁾⁽¹⁵⁾	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	402
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	114
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	4,232
	Medical Devices & Equipment	Equity	Preferred Series E	15,638,888	1,307	1,457
Total Optiscan Biomedical, Corp.				78,855,687	10,219	6,205
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	596
Quanterix Corporation ⁽⁴⁾	Medical Devices & Equipment	Equity	Common Stock	84,778	1,000	1,820
Subtotal: Medical Devices & Equipment (1.49%)*					15,342	12,530
Software						
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	90
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	1,044
	Software	Equity	Preferred Series 3	93,620	300	312
Total Druva, Inc.				552,461	1,300	1,356
ForeScout Technologies, Inc. ⁽⁴⁾	Software	Equity	Common Stock	199,844	529	6,373
HighRoads, Inc.	Software	Equity	Common Stock	190	307	—
NewVoiceMedia Limited ⁽⁵⁾⁽¹⁰⁾	Software	Equity	Preferred Series E	669,173	963	1,544
Palantir Technologies	Software	Equity	Preferred Series E	727,696	5,431	4,923

Edgar Filing: Hercules Capital, Inc. - Form 10-Q

	Software	Equity	Preferred Series G	326,797	2,211	2,211
Total Palantir Technologies				1,054,493	7,642	7,134
Sprinklr, Inc.	Software	Equity	Common Stock	700,000	3,749	4,600
WildTangent, Inc. ⁽¹⁵⁾	Software	Equity	Preferred Series 3	100,000	402	179
Subtotal: Software (2.53%)*					14,943	21,276

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost (3)	Value (4)
Surgical Devices						
Gynesonics, Inc. (15)	Surgical Devices	Equity	Preferred Series B	219,298	\$250	\$44
	Surgical Devices	Equity	Preferred Series C	656,538	282	60
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	795
	Surgical Devices	Equity	Preferred Series E	2,786,367	429	521
Total Gynesonics, Inc.				5,653,360	1,673	1,420
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	376
	Surgical Devices	Equity	Preferred Series C	119,999	300	309
	Surgical Devices	Equity	Preferred Series D	260,000	650	957
	Surgical Devices	Equity	Preferred Series F	100,200	500	531
Total Transmedics, Inc.				569,160	2,550	2,173
Subtotal: Surgical Devices (0.43%)*					4,223	3,593
Sustainable and Renewable Technology						
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Equity	Common Stock	19,250	761	—
Modumetal, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series C	3,107,520	500	477
Proterra, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series 5	99,280	500	539
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.) (6)	Sustainable and Renewable Technology	Equity	Common Stock	288	61,502	11,400
Subtotal: Sustainable and Renewable Technology (1.48%)*					63,263	12,416

Total: Equity Investments (10.63%)*	136,196	89,361
-------------------------------------	---------	--------

See notes to consolidated financial statements.

33

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2017

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment (1)	Series	Shares	Cost (3)	Value (4)
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc. ⁽¹⁵⁾	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	\$323	\$458
Subtotal: Biotechnology Tools (0.05%)*					323	458
Communications & Networking						
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	—
Peerless Network Holdings, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	501
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Common Stock	2,834,375	418	—
Subtotal: Communications & Networking (0.06%)*					574	501
Consumer & Business Products						
Antenna79 (p.k.a. Pong Research Corporation) ⁽¹⁵⁾	Consumer & Business Products	Warrant	Common Stock	1,662,441	228	—
Intelligent Beauty, Inc. ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	221
The Neat Company ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	—
Subtotal: Consumer & Business Products (0.03%)*					823	221
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽⁴⁾⁽¹⁰⁾⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	176,730	786	