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

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(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.

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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 |

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| | | |
|--|-------------|-------------|
| 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.

| (Dollars in thousands) | March 31, 2018 | December 31, 2017 |
|--|-------------------|----------------------|
| 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) |

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| | | |
|--|----------|------------|
| 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 |

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| | | |
|---|------------|------------|
| 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.

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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:

| (Dollars in thousands) | For the Three Months Ended March 31, | |
|---|--|-----------|
| | 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 |

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|--|--------------------------------|----------------|---------------|--------------------------------|-----------|--------|--------|--------|--|
| 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 | | |

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|----------------------------------|---------------|-------------------|----------------|-----------------------------------|-----------|--------|--------|
| 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 |

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| | | | | Fee | | | | |
|--|------------------------------|----------------|----------------|--|--|-----------|--------|--------|
| | Drug Discovery & Development | Senior Secured | July 2021 | Interest rate PRIME + 4.70% or Floor rate of 9.45%, 3.00% Exit Fee | | \$ 10,000 | 9,990 | 9,948 |
| Total Aveo Pharmaceuticals, Inc. | | | | | | \$ 20,000 | 19,926 | 19,766 |
| Axovant Sciences Ltd. ⁽⁵⁾⁽¹⁰⁾ | Drug Discovery & Development | Senior Secured | March 2021 | Interest rate PRIME + 6.80% or Floor rate of 10.55% Exit Fee | | \$ 55,000 | 53,783 | 53,670 |
| Brickell Biotech, Inc. ⁽¹²⁾ | Drug Discovery & Development | Senior Secured | September 2019 | Interest rate PRIME + 5.70% or Floor rate of 9.20%, 7.49% Exit Fee | | \$ 5,834 | 6,178 | 6,166 |
| 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 | 4,973 | 4,973 |
| Mesoblast ⁽⁵⁾⁽¹⁰⁾ | Drug Discovery & Development | Senior Secured | March 2022 | Interest rate PRIME + 4.95% or Floor rate of 9.45%, 6.95% Exit Fee | | \$ 35,000 | 34,682 | 34,682 |
| 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 | | \$ 25,648 | 25,923 | 25,793 |
| 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 | 14,711 | 14,711 |
| Myovant Sciences, Ltd. ⁽⁵⁾⁽¹⁰⁾⁽¹³⁾ | Drug Discovery & Development | Senior Secured | May 2021 | Interest rate PRIME + 4.00% or Floor rate of 8.25%, 6.55% Exit Fee | | \$ 40,000 | 39,445 | 39,444 |

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

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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 |

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| | | | | | | | |
|--|-------------------------------|-------------------|-------------------|----------------------------------|-----------|--------|--------|
| | | | | 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 |

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| | | | | | | | |
|----------------------------------|---|-------------------|-----------------|---|-----------|--------|--------|
| 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 Services | Senior Secured | March 2021 | Interest rate 3-month LIBOR | \$ 25,000 | 25,032 | 25,032 |

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| | | | | | | | |
|--|---|-------------------|-----------------|---|----------|---------|---------|
| | 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 |
| | Internet Consumer & Business Services | Senior Secured | 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 |

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| | | | | | | | |
|--|-----------------------------|----------------|---------------|--------------------------------|-----------|--------|--------|
| 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.

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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 |

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| | | | | | | | | |
|--|----------|----------------|------------------|---|--|-----------|--------|--------|
| | Software | Senior Secured | July 2021 | Interest rate PRIME + 6.00% | or Floor rate of 8.95% | | | |
| | | | | | 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 |

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| | | | | | | | |
|------------------------------------|----------|----------------|---------------|-------------------------------------|-----------|--------|--------|
| 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 | | | |

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| | | | | 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 | | | | | | | |

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| | | | | | | | |
|--|--------------------------------------|----------------|---------------|--|-----------|--------|--------|
| 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%, | | | |

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| | | | | 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 | | | | | | |

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| | | | | | | |
|--------------------------------------|---------------|--------|--------------------|---------|-------|-------|
| 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 |
| Insmed, 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.

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HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(unaudited)

(dollars in thousands)

| Portfolio Company | Sub-Industry | Investment ⁽¹⁾ | Type of 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 | — |

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| | | | | | | |
|--|-----------------------------|--------|----------------------|------------|--------|--------|
| 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 |
| 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 |

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| | | | | | | |
|-----------------------------------|----------|--------|--------------------|---------|--------|--------|
| 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.

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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⁾ |
|---|--------------------------------------|-----------------------------------|--------------------|------------------|---------------------|----------------------|
| 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 |

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| | | | 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 | — |
| Evoform 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 | — |

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| | | | | | | |
|---|---------------------------------|---------|----------------------|-----------|-------|-------|
| | 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 |

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| | | | | | | |
|---|----------------------|---------|--------------------|---------|-----|-----|
| 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)

| Portfolio Company | Sub-Industry | Type of 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 |

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| | | | | | | |
|--|-----------------------------|---------|----------------------|------------|-------|-------|
| 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 | — |

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|---|--------------------------------|---------|-------------------------|-----------|-------|-------|
| 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 |

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| | | | | | | |
|--|------------------------------|---------|--------------------|-----------|-------|-----|
| 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 |

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| | 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 | | | | | | | |

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| | | | | | | | |
|--|------------------------------------|-------------------|---------------|--|----------|--------|--------|
| 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.

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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 |

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| | | | | | | | |
|--|------------------------------|----------------|----------------|-------------------------------|-----------|--------|--------|
| 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% | | | |
| | | | | Exit Fee | \$ 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 |

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| | | | | | | | |
|---|------------------------------------|-------------------|----------------|---|-----------|--------|--------|
| | Development | | | PRIME + 2.25% | | | |
| | | | | or Floor rate of 7.25%, 4.95% | | | |
| 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% | | | |

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|--|------------------------------|----------------|----------------|-------------------------------|-----------|--------|--------|
| 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 | Interest rate PRIME + 2.75% | | | |
| | | | | 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.) | | | | | \$ 60,000 | 60,148 | 59,682 |
| 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 | Interest rate PRIME + 5.50% | \$ 15,000 | 14,898 | 14,847 |
| | | | | or Floor rate of 9.50%, | | | |

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| | | | | | | | |
|---|------------------------------------|-------------------|---------------|---|-----------|---------|---------|
| | | | | 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 |
| | | | | 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 |

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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.

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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 |

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| | | | | | | | |
|-----------------------------|---------------------------------------|----------------|--------------|-------------------------------------|----------|--------|--------|
| | 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 2021 | 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 |

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| | | | | | | | |
|---|--|-------------------|--------------|---|----------|---------|---------|
| | | | | 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 |

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| 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 |

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| | | | | | | | |
|---|-----------------------------|----------------|-------------|---|----------|--------|--------|
| | | | | 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%, | | | |

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| | | | | | | | | |
|--|-----------------------------|----------------|---------------|--|----------|----------|--------|-------|
| | | | | 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 | |
| | Semiconductors | Senior Secured | February 2019 | 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 | 9,373 |
| 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 |

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| | | | | | | | | |
|--|----------|----------------|---------------|-------------------------------------|-----------|--------|--------|--|
| | | | | 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 | |

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| | | | | | | | |
|-----------------------------------|----------|----------------|---------------|--|-----------|--------|--------|
| | | | | 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%, | | | |

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| | | | | | | | |
|----------------------------------|----------|-------------------|---------------|--|-----------|--------|--------|
| | | | | 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 |

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| | | | |
|------------------------------|----------|---------|---------|
| 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 |

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| | | | | | | | |
|---|--------------------------------------|----------------|---------------|---|-----------|--------|--------|
| | | | | 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 |

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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 |
| Tendril 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 |

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| | | | | | | |
|--|---------------------------------|--------|--------------|---------|--------|--------|
| 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. Transept 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 |

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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 |

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| | | | | | | |
|-----------------------------------|----------|--------|-----------------------|-----------|--------|--------|
| | 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.

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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 | 61 |
| Agile Therapeutics, Inc. (4) | Drug Delivery | Warrant | Common Stock | 180,274 | 730 | 65 |
| BioQ Pharma Incorporated | Drug Delivery | Warrant | Common Stock | 459,183 | 1 | 968 |
| Celsion Corporation (4) | Drug Delivery | Warrant | Common Stock | 13,927 | 428 | — |
| Dance Biopharm, Inc. (15) | Drug Delivery | Warrant | | 110,882 | 74 | — |

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| | | | Common Stock | | | |
|---|---------------|---------|-----------------------|--------|-------|-------|
| Edge Therapeutics, Inc. ⁽⁴⁾ | Drug Delivery | Warrant | Common Stock | 78,595 | 390 | 230 |
| Kaleo, Inc. (p.k.a. Intelliject, Inc.) | Drug Delivery | Warrant | Preferred Series B | 82,500 | 594 | 1,540 |
| Neos Therapeutics, Inc. ⁽⁴⁾⁽¹⁵⁾ | Drug Delivery | Warrant | Common Stock | 70,833 | 285 | 148 |
| Pulmatrix Inc. ⁽⁴⁾ | Drug Delivery | Warrant | Common Stock | 25,150 | 116 | 4 |
| ZP Opco, Inc (p.k.a. Zosano Pharma) ⁽⁴⁾ | Drug Delivery | Warrant | Common Stock | 72,379 | 266 | — |
| Subtotal: Drug Delivery (0.36%)* | | | | | 3,670 | 3,016 |

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 | | Shares | Cost (3) | Value (4) |
|--|------------------------------|-------------------|--------------------|---------|-------------|--------------|
| | | Investment (1) | Series | | | |
| Drug Discovery & Development | | | | | | |
| ADMA Biologics, Inc. (4) | Drug Discovery & Development | Warrant | Common Stock | 89,750 | \$295 | \$12 |
| Anthera Pharmaceuticals, Inc. (4)(15) | Drug Discovery & Development | Warrant | Common Stock | 5,022 | 984 | — |
| Audentes Therapeutics, Inc (4)(10)(15) | Drug Discovery & Development | Warrant | Common Stock | 9,914 | 62 | 147 |
| Auris Medical Holding, AG (4)(5)(10) | Drug Discovery & Development | Warrant | Common Stock | 156,726 | 249 | 19 |
| Brickell Biotech, Inc. | Drug Discovery & Development | Warrant | Preferred Series C | 26,086 | 119 | 93 |
| Cerecor, Inc. (4) | Drug Discovery & Development | Warrant | Common Stock | 22,328 | 70 | 15 |
| 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 | 3 |
| Concert Pharmaceuticals, Inc. (4)(15) | Drug Discovery & Development | Warrant | Common Stock | 132,069 | 545 | 1,344 |
| CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) (4) | Drug Discovery & Development | Warrant | Common Stock | 29,239 | 165 | 2 |
| CytRx Corporation (4)(15) | Drug Discovery & Development | Warrant | Common Stock | 105,694 | 160 | 58 |
| 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 | — |
| Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.) (4) | Drug Discovery & Development | Warrant | Common Stock | 73,009 | 142 | 29 |
| Genocea Biosciences, Inc. (4) | Drug Discovery & Development | Warrant | Common Stock | 73,725 | 266 | 4 |

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| | | | | | | |
|---|---------------------------------|---------|--------------------|---------|-------|-------|
| Immune Pharmaceuticals ⁽⁴⁾ | Drug Discovery & Development | Warrant | Common Stock | 10,742 | 164 | — |
| Melinta Therapeutics ⁽⁴⁾ | Drug Discovery & Development | Warrant | Common Stock | 31,655 | 626 | 12 |
| Motif BioSciences Inc. ⁽⁴⁾⁽¹⁵⁾ | Drug Discovery & Development | Warrant | Common Stock | 73,452 | 282 | 414 |
| Myovant Sciences, Ltd. ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾ | Drug Discovery & Development | Warrant | Common Stock | 49,800 | 283 | 128 |
| Neothetics, Inc. (p.k.a. Lithera, Inc) ⁽⁴⁾⁽¹⁵⁾ | Drug Discovery & Development | Warrant | Common Stock | 46,838 | 266 | 53 |
| 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 | 212 |
| PhaseRx, Inc. ⁽⁴⁾⁽¹⁵⁾ | Drug Discovery & Development | Warrant | Common Stock | 63,000 | 125 | — |
| Savara Inc. (p.k.a. Mast Therapeutics, Inc.) ⁽⁴⁾⁽¹⁵⁾ | Drug Discovery & Development | Warrant | Common Stock | 32,467 | 203 | 8 |
| Sorrento Therapeutics, Inc. ⁽⁴⁾⁽¹⁰⁾ | Drug Discovery & Development | Warrant | Common Stock | 306,748 | 889 | 453 |
| Stealth Bio Therapeutics Corp. ⁽⁵⁾⁽¹⁰⁾ | Drug Discovery & Development | Warrant | Preferred Series A | 487,500 | 116 | 107 |
| uniQure B.V. ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾ | Drug Discovery & Development | Warrant | Common Stock | 37,174 | 218 | 240 |
| XOMA Corporation ⁽⁴⁾⁽¹⁰⁾⁽¹⁵⁾ | Drug Discovery & Development | Warrant | Common Stock | 9,063 | 279 | 50 |
| Subtotal: Drug Discovery & Development (0.40%)* | | | | | 8,869 | 3,403 |
| Electronics & Computer Hardware | | | | | | |
| 908 DEVICES INC. ⁽¹⁵⁾ | Electronics & Computer Hardware | Warrant | Preferred Series D | 79,856 | 100 | 73 |
| Clustrix, Inc. | Electronics & Computer Hardware | Warrant | Common Stock | 50,000 | 12 | — |
| Subtotal: Electronics & Computer Hardware (0.01%)* | | | | | 112 | 73 |
| Healthcare Services, Other | | | | | | |
| Chromadex Corporation ⁽⁴⁾⁽¹⁵⁾ | Healthcare Services, Other | Warrant | Common Stock | 139,673 | 157 | 329 |
| Subtotal: Healthcare Services, Other (0.04%)* | | | | | 157 | 329 |

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) |
|--|---------------------------------------|---------------------------|----------------------|------------------|-------------|--------------|
| Information Services | | | | | | |
| INMOBI Inc. ⁽⁵⁾⁽¹⁰⁾ | Information Services | Warrant | Common Stock | 65,587 | \$82 | \$— |
| InXpo, Inc. ⁽¹⁵⁾ | Information Services | Warrant | Preferred Series C | 648,400 | 98 | 21 |
| | Information Services | Warrant | Preferred Series C-1 | 1,165,183 | 74 | 37 |
| Total InXpo, Inc. | | | | 1,813,583 | 172 | 58 |
| MDX Medical, Inc. ⁽¹⁵⁾ | Information Services | Warrant | Common Stock | 2,250,000 | 246 | 129 |
| Netbase Solutions, Inc. | Information Services | Warrant | Preferred Series 1 | 60,000 | 356 | 363 |
| RichRelevance, Inc. ⁽¹⁵⁾ | Information Services | Warrant | Preferred Series E | 112,612 | 98 | — |
| Subtotal: Information Services (0.07%)* | | | | | 954 | 550 |
| Internet Consumer & Business Services | | | | | | |
| Aria Systems, Inc. | Internet Consumer & Business Services | Warrant | Preferred Series G | 231,535 | 73 | — |
| Blurb, Inc. ⁽¹⁵⁾ | Internet Consumer & Business Services | Warrant | Preferred Series C | 234,280 | 636 | 9 |
| ClearObject, Inc. (p.k.a. CloudOne, Inc.) | Internet Consumer & Business Services | Warrant | Preferred Series E | 968,992 | 18 | 154 |
| The Faction Group | Internet Consumer & Business Services | Warrant | Preferred Series A | 8,703 | 234 | 234 |
| Intent Media, Inc. ⁽¹⁵⁾ | Internet Consumer & Business Services | Warrant | Common Stock | 140,077 | 168 | 207 |
| Interactions Corporation | Internet Consumer & Business Services | Warrant | Preferred Series G-3 | 68,187 | 204 | 204 |
| Just Fabulous, Inc. | Internet Consumer & Business Services | Warrant | Preferred Series B | 206,184 | 1,102 | 2,627 |
| Lightspeed POS, Inc. ⁽⁵⁾⁽¹⁰⁾ | | Warrant | | 245,610 | 20 | 93 |

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| | | | | | | |
|--|---------------------------------------|---------|----------------------|-----------|-------|-------|
| | Internet Consumer & Business Services | | Preferred Series C | | | |
| LogicSource ⁽¹⁵⁾ | Internet Consumer & Business Services | Warrant | Preferred Series C | 79,625 | 30 | 36 |
| Oportun (p.k.a. Progress Financial) | Internet Consumer & Business Services | Warrant | Preferred Series G | 174,562 | 78 | 196 |
| 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 | 1,257 |
| Tapjoy, Inc. | Internet Consumer & Business Services | Warrant | Preferred Series D | 748,670 | 316 | 7 |
| TraceLink, Inc. | Internet Consumer & Business Services | Warrant | Preferred Series A-2 | 283,353 | 1,833 | 1,833 |
| Subtotal: Internet Consumer & Business Services (0.82%)* | | | | | 6,041 | 6,857 |
| 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. ⁽¹⁶⁾ | Media/Content/Info | Warrant | Common Stock | 1,552,710 | 1,958 | 3,743 |
| Rhapsody International, Inc. ⁽¹⁵⁾ | Media/Content/Info | Warrant | Common Stock | 715,755 | 385 | 4 |
| WP Technology, Inc. (Wattpad, Inc.) ⁽⁵⁾⁽¹⁰⁾ | Media/Content/Info | Warrant | Common Stock | 255,818 | 4 | 17 |
| Zoom Media Group, Inc. | Media/Content/Info | Warrant | Preferred Series A | 1,204 | 348 | 33 |
| Subtotal: Media/Content/Info (0.67%)* | | | | | 3,425 | 5,672 |
| Medical Devices & Equipment | | | | | | |
| Amedica Corporation ⁽⁴⁾⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Common Stock | 8,603 | 459 | 1 |
| Aspire Bariatrics, Inc. ⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series B-1 | 112,858 | 455 | 65 |
| Avedro, Inc. ⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series AA | 300,000 | 401 | 275 |
| 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 | 216 |
| InspireMD, Inc. ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾ | Medical Devices & Equipment | Warrant | Common Stock | 39,364 | 242 | — |
| IntegenX, Inc. ⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series C | 547,752 | 15 | — |
| Intuity Medical, Inc. ⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series 4 | 1,819,078 | 294 | 294 |
| Medrobotics Corporation ⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series E | 455,539 | 370 | 411 |

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| | | | | | | | |
|--|-----------------------------|---------|----------------------|------------|-------|-------|--|
| Micell Technologies, Inc. | Medical Devices & Equipment | Warrant | Preferred Series D-2 | 84,955 | 262 | 150 | |
| NetBio, Inc. | Medical Devices & Equipment | Warrant | Preferred Series A | 7,841 | 408 | 56 | |
| NinePoint Medical, Inc. ⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series A-1 | 587,840 | 170 | 82 | |
| Optiscan Biomedical, Corp. ⁽⁶⁾⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series D | 10,535,275 | 1,252 | 86 | |
| Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.) | Medical Devices & Equipment | Warrant | Preferred Series A | 500,000 | 402 | 430 | |
| Quanterix Corporation ⁽⁴⁾ | Medical Devices & Equipment | Warrant | Common Stock | 66,039 | 205 | 536 | |
| Sebacia, Inc. ⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series D | 778,301 | 133 | 127 | |
| SonaCare Medical, LLC (p.k.a. US HIFU, LLC) | Medical Devices & Equipment | Warrant | Preferred Series A | 6,464 | 188 | — | |
| Strata Skin Sciences, Inc. (p.k.a. MELA Sciences, Inc.) ⁽⁴⁾ | Medical Devices & Equipment | Warrant | Common Stock | 13,864 | 401 | — | |
| Tela Bio, Inc. ⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Preferred Series B | 387,930 | 62 | 153 | |
| ViewRay, Inc. ⁽⁴⁾⁽¹⁵⁾ | Medical Devices & Equipment | Warrant | Common Stock | 128,231 | 333 | 414 | |
| Subtotal: Medical Devices & Equipment (0.39%)* | | | | | 6,492 | 3,296 | |

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) |
|--|----------------|---------------------------|----------------------|-----------|-------------|--------------|
| Semiconductors | | | | | | |
| Achronix Semiconductor Corporation ⁽¹⁵⁾ | Semiconductors | Warrant | Preferred Series C | 360,000 | \$ 160 | \$ 308 |
| | Semiconductors | Warrant | Preferred Series D-2 | 750,000 | 99 | 519 |
| Total Achronix Semiconductor Corporation | | | | 1,110,000 | 259 | 827 |
| Aquantia Corp. ⁽⁴⁾ | Semiconductors | Warrant | Common Stock | 19,683 | 4 | 11 |
| Avnera Corporation | Semiconductors | Warrant | Preferred Series E | 141,567 | 46 | 195 |
| Subtotal: Semiconductors (0.12%)* | | | | | 309 | 1,033 |
| Software | | | | | | |
| Actifio, Inc. | Software | Warrant | Common Stock | 73,584 | 249 | 84 |
| | Software | Warrant | Preferred Series F | 31,673 | 343 | 79 |
| Total Actifio, Inc. | | | | 105,257 | 592 | 163 |
| Braxton Technologies, LLC | Software | Warrant | Preferred Series A | 168,750 | 188 | — |
| CareCloud Corporation ⁽¹⁵⁾ | Software | Warrant | Preferred Series B | 413,433 | 258 | 113 |
| Clickfox, Inc. ⁽¹⁵⁾ | Software | Warrant | Preferred Series B | 1,038,563 | 330 | 129 |
| | Software | Warrant | Preferred Series C | 592,019 | 730 | 179 |
| | Software | Warrant | Preferred Series C-A | 2,218,214 | 230 | 4,458 |
| Total Clickfox, Inc. | | | | 3,848,796 | 1,290 | 4,766 |
| DNAexus, Inc. | Software | Warrant | Preferred Series C | 909,091 | 97 | 97 |
| Evernote Corporation ⁽¹⁵⁾ | Software | Warrant | Common Stock | 62,500 | 106 | 175 |
| Fuze, Inc. ⁽¹⁵⁾ | Software | Warrant | Preferred Series F | 256,158 | 89 | 53 |
| Mattersight Corporation ⁽⁴⁾ | Software | Warrant | Common Stock | 357,143 | 538 | 168 |
| Message Systems, Inc. ⁽¹⁵⁾ | Software | Warrant | Preferred Series C | 503,718 | 334 | 639 |
| Mobile Posse, Inc. ⁽¹⁵⁾ | Software | Warrant | Preferred Series C | 396,430 | 130 | 353 |
| Neos, Inc. ⁽¹⁵⁾ | Software | Warrant | Common Stock | 221,150 | 22 | — |
| NewVoiceMedia Limited ⁽⁵⁾⁽¹⁰⁾ | Software | Warrant | Preferred Series E | 225,586 | 33 | 190 |
| OneLogin, Inc. ⁽¹⁵⁾ | Software | Warrant | Common Stock | 228,972 | 150 | 227 |
| PerfectServe, Inc. | Software | Warrant | Preferred Series C | 129,073 | 720 | 720 |
| Poplicus, Inc. | Software | Warrant | Common Stock | 132,168 | — | — |
| Quid, Inc. ⁽¹⁵⁾ | Software | Warrant | Preferred Series D | 71,576 | 1 | 7 |

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| | | | | | | |
|--|---------------------------|---------|--------------------------|-----------|-------|-------|
| RapidMiner, Inc. | Software | Warrant | Preferred Series C-1 | 4,982 | 23 | 23 |
| RedSeal Inc. ⁽¹⁵⁾ | Software | Warrant | Preferred Series C-Prime | 640,603 | 66 | 44 |
| Signpost, Inc. | Software | Warrant | Preferred Series C | 324,005 | 314 | 106 |
| Wrike, Inc. | Software | Warrant | Common Stock | 698,760 | 462 | 1,040 |
| Subtotal: Software (1.06%)* | | | | | 5,413 | 8,884 |
| Specialty Pharmaceuticals | | | | | | |
| Alimera Sciences, Inc. ⁽⁴⁾ | Specialty Pharmaceuticals | Warrant | Common Stock | 1,717,709 | 861 | 488 |
| Subtotal: Specialty Pharmaceuticals (0.06%)* | | | | | 861 | 488 |
| Surgical Devices | | | | | | |
| Gynesonics, Inc. ⁽¹⁵⁾ | Surgical Devices | Warrant | Preferred Series C | 180,480 | 75 | 15 |
| | Surgical Devices | Warrant | Preferred Series D | 1,575,965 | 320 | 291 |
| Total Gynesonics, Inc. | | | | 1,756,445 | 395 | 306 |
| Transmedics, Inc. | Surgical Devices | Warrant | Preferred Series B | 40,436 | 225 | 16 |
| | Surgical Devices | Warrant | Preferred Series D | 175,000 | 100 | 429 |
| | Surgical Devices | Warrant | Preferred Series F | 50,544 | 38 | 60 |
| Total Transmedics, Inc. | | | | 265,980 | 363 | 505 |
| Subtotal: Surgical Devices (0.10%)* | | | | | 758 | 811 |

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) |
|---|--------------------------------------|---------------------------|----------------------|---------|----------|-----------|
| Sustainable and Renewable Technology | | | | | | |
| Agrivida, Inc. (15) | Sustainable and Renewable Technology | Warrant | Preferred Series D | 471,327 | \$ 120 | \$ 88 |
| Alphabet Energy, Inc. (15) | Sustainable and Renewable Technology | Warrant | Preferred Series 1B | 13,667 | 82 | — |
| American Superconductor Corporation (4) | Sustainable and Renewable Technology | Warrant | Common Stock | 58,823 | 39 | 7 |
| Brightsource Energy, Inc. | Sustainable and Renewable Technology | Warrant | Preferred Series 1 | 116,666 | 104 | — |
| 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 | 530,811 | 181 | — |
| | Sustainable and Renewable Technology | Warrant | Preferred Series 2-A | 6,229 | 50 | — |
| Total Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.) | | | | 537,040 | 231 | — |
| Fulcrum Bioenergy, Inc. | Sustainable and Renewable Technology | Warrant | Preferred Series C-1 | 280,897 | 275 | 357 |

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| | | | | | | |
|---|--------------------------------------|---------|-----------------------|-----------|--------------|--------------|
| 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 | 155 |
| | Sustainable and Renewable Technology | Warrant | Preferred Series B | 131,883 | 63 | 63 |
| Total Kinestral Technologies, Inc. | | | | 456,883 | 218 | 218 |
| 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 | 599 |
| Rive Technology, Inc. ⁽¹⁵⁾ | Sustainable and Renewable Technology | Warrant | Preferred Series E | 234,477 | 12 | 8 |
| 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 (0.15%)* | | | | | 4,797 | 1,277 |
| Total: Warrant Investments (4.38%)* | | | | | 43,578 | 36,869 |
| Total Investments in Securities (183.39%)* | | | | | \$ 1,619,829 | \$ 1,542,214 |

* 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 4.50% at December 31, 2017. Daily LIBOR, 1-month LIBOR, 3-month LIBOR and 12-month LIBOR represent 1.44%, 1.57%, 1.69% and 2.11%, respectively, at December 31, 2017.
- (3) Gross unrealized appreciation, gross unrealized depreciation, and net unrealized depreciation for federal income tax purposes totaled \$32.5 million, \$119.7 million and \$87.2 million respectively. The tax cost of investments is \$1.6 billion.
- (4) Except for warrants in 43 publicly traded companies and common stock in 20 publicly traded companies, all investments are restricted at December 31, 2017 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 December 31, 2017 and is therefore considered non-income producing. Note that at December 31, 2017, only the \$11.0 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 December 31, 2017.
- (17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company at December 31, 2017. Refer to Note 10.

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Description of Business and Basis of Presentation

Hercules Capital, Inc. (the “Company”) is a specialty finance company focused on providing senior secured loans to high-growth, innovative venture capital-backed companies in a variety of technology, life sciences, and sustainable and renewable technology industries. The Company sources its investments through its principal office located in Palo Alto, CA, as well as through its additional offices in Boston, MA, New York, NY, Washington, DC, Hartford, CT, and San Diego, CA. The Company was incorporated under the General Corporation Law of the State of Maryland in December 2003.

The Company is an internally managed, non-diversified closed-end investment company that has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). From incorporation through December 31, 2005, the Company was subject to tax as a corporation under Subchapter C of the Internal Revenue Code of 1986, as amended (the “Code”). Effective January 1, 2006, the Company elected to be treated for tax purposes as a regulated investment company, or RIC, under Subchapter M of the Code (see Note 5). As an investment company, the Company follows accounting and reporting guidance as set forth in Topic 946 (“Financial Services – Investment Companies”) of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification, as amended (“ASC”).

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

HT II and HT III hold approximately \$113.1million and \$285.8 million in assets, respectively, and they accounted for approximately 5.7% and 14.4% of the Company’s total assets, respectively, prior to consolidation at March 31, 2018.

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

Company's RIC status. These taxable subsidiaries are consolidated for financial reporting purposes and in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), and the portfolio investments held by these taxable subsidiaries are included in the Company's consolidated financial statements and recorded at fair value. These taxable subsidiaries are not consolidated with Hercules for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities as a result of their ownership of certain portfolio investments.

The consolidated financial statements include the accounts of the Company, its subsidiaries and its consolidated securitization VIE. All significant inter-company accounts and transactions have been eliminated in consolidation. As provided under Regulation S-X and ASC 946, the Company will not consolidate its investment in a portfolio company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Rather, an investment company's interest in portfolio companies that are not investment companies should be measured at fair value in accordance with ASC Topic 946.

The accompanying consolidated interim financial statements have been prepared in conformity with U.S. GAAP for interim financial information, and pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments consisting solely of normal recurring accruals considered necessary for the fair presentation of consolidated financial statements for the interim periods have been included. The current period's results of operations are not necessarily indicative of results that ultimately may be achieved for the full fiscal year. Therefore, the interim unaudited consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes thereto for the period ended December 31, 2017. The year-end Consolidated Statement of Assets and Liabilities data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP.

Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the consolidated financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

2. Summary of Significant Accounting Policies

Principles of Consolidation

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

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

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

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

As of the date of this report, the only VIE consolidated by the Company is its securitization VIE formed in conjunction with the issuance of the 2021 Asset-Backed Notes (as defined herein). See "Note 4 – Borrowings".

Reclassification

Certain balances from prior years have been reclassified in order to conform to the current year presentation.

Valuation of Investments

The most significant estimate inherent in the preparation of the Company's consolidated financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded.

At March 31, 2018, approximately 91.6% of the Company's total assets represented investments in portfolio companies whose fair value is determined in good faith by the Board of Directors. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Board of Directors.

The Company's investments are carried at fair value in accordance with the 1940 Act and ASC Topic 946 and measured in accordance with ASC Topic 820 ("Fair Value Measurements"). The Company's debt securities are primarily invested in venture capital-backed companies in technology-related industries including technology, drug discovery and development, biotechnology, life sciences, healthcare, and sustainable and renewable technology at all stages of development. Given the nature of lending to these types of businesses, substantially all of the Company's investments in these portfolio companies are considered Level 3 assets under ASC Topic 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, the Company values substantially all of its investments at fair value as determined in good faith pursuant to a consistent valuation policy by the Company's Board of Directors in accordance with the provisions of ASC Topic 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments determined in good faith by its Board of Directors may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

The Company may from time to time engage an independent valuation firm to provide the Company with valuation assistance with respect to certain portfolio investments. The Company engages independent valuation firms on a discretionary basis. Specifically, on a quarterly basis, the Company will identify portfolio investments with respect to which an independent valuation firm will assist in valuing. The Company selects these portfolio investments based on a number of factors, including, but not limited to, the potential for material fluctuations in valuation results, credit quality and the time lapse since the last valuation of the portfolio investment by an independent valuation firm.

The Company intends to continue to engage an independent valuation firm to provide management with assistance regarding the Company's determination of the fair value of selected portfolio investments each quarter unless directed by the Board of Directors to cancel such valuation services. The scope of services rendered by an independent valuation firm is at the discretion of the Board of Directors. The Company's Board of Directors is ultimately, and solely, responsible for determining the fair value of the Company's investments in good faith.

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

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

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

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

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

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

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

Investments measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations as of March 31, 2018 and as of December 31, 2017. The Company transfers investments in and out of Level 1, 2 and 3 as of the beginning balance sheet date, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. During the three months ended March 31, 2018, there were no transfers between Levels 1 or 2.

| | Balance | Quoted Prices In | | |
|---------------------|---------------------|---|---|---|
| | | Active Markets For Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| (in thousands) | March 31, 2018 | | | |
| Description | | | | |
| Senior Secured Debt | \$ 1,322,451 | \$ — | \$ — | \$ 1,322,451 |
| Unsecured Debt | 13,875 | — | — | 13,875 |
| Preferred Stock | 65,451 | — | — | 65,451 |
| Common Stock | 48,548 | 20,216 | — | 28,332 |
| Warrants | 33,253 | — | 5,068 | 28,185 |
| Escrow Receivable | 1,280 | — | — | 1,280 |
| Total | \$ 1,484,858 | \$ 20,216 | \$ 5,068 | \$ 1,459,574 |

| | Balance | Quoted Prices In | | |
|---------------------|---------------------|---|---|---|
| | | Active Markets For Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| (in thousands) | December 31, 2017 | | | |
| Description | | | | |
| Senior Secured Debt | \$ 1,415,984 | \$ — | \$ — | \$ 1,415,984 |
| Preferred Stock | 40,683 | — | — | 40,683 |
| Common Stock | 48,678 | 22,825 | — | 25,853 |
| Warrants | 36,869 | — | 5,664 | 31,205 |
| Escrow Receivable | 752 | — | — | 752 |
| Total | \$ 1,542,966 | \$ 22,825 | \$ 5,664 | \$ 1,514,477 |

The table below presents a reconciliation for all financial assets and liabilities measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3) for the three months ended March 31, 2018 and the year ended December 31, 2017.

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| | Balance | Net Change in | Unrealized Appreciation | Net Change in | Gross | Gross | Balance |
|-------------------|--------------------|----------------------------------|----------------------------------|---------------------|------------------------|------------------------|--------------------|
| | January 1, | Net Realized | Unrealized | Net Change in | Transfers | Transfers | Balance |
| (in thousands) | 2018 | Gains (Losses) ⁽¹⁾ | (Depreciation) (Appreciation) | Net Change in | into | out of | March 31, |
| | | | | | Level 3 ⁽³⁾ | Level 3 ⁽³⁾ | 2018 |
| Senior Debt | \$1,415,984 | \$(5,008) | \$(6,679) | \$196,692 | — | \$(278,538) | \$1,322,451 |
| Unsecured Debt | — | — | (1,598) | 15,473 | — | — | 13,875 |
| Preferred Stock | 40,683 | — | (2,071) | 26,839 | — | — | 65,451 |
| Common Stock | 25,853 | — | 618 | 1,861 | — | — | 28,332 |
| Warrants | 31,205 | (386) | (3,081) | 447 | — | — | 28,185 |
| Escrow Receivable | 752 | 78 | — | 875 | (425) | — | 1,280 |
| Total | \$1,514,477 | \$(5,316) | \$(12,811) | \$242,187 | \$(425) | \$(278,538) | \$1,459,574 |

| | Balance | Net Change in | Unrealized Appreciation | Net Change in | Gross | Gross | Balance |
|-------------------|--------------------|----------------------------------|----------------------------------|---------------------|------------------------|------------------------|--------------------|
| | January 1, | Net Realized | Unrealized | Net Change in | Transfers | Transfers | Balance |
| (in thousands) | 2017 | Gains (Losses) ⁽¹⁾ | (Depreciation) (Appreciation) | Net Change in | into | out of | December |
| | | | | | Level 3 ⁽⁴⁾ | Level 3 ⁽⁴⁾ | 31, 2017 |
| Senior Debt | \$1,323,978 | \$(24,684) | \$29,610 | \$776,648 | — | \$(62,671) | \$1,415,984 |
| Preferred Stock | 39,418 | (7,531) | 11,955 | 2,683 | (468) | (5,374) | 40,683 |
| Common Stock | 10,965 | (487) | (49,462) | 3,748 | (1,582) | 62,671 | 25,853 |
| Warrants | 24,246 | 727 | 8,450 | 5,449 | (7,303) | (364) | 31,205 |
| Escrow Receivable | 1,382 | 261 | — | 3,127 | (4,018) | — | 752 |
| Total | \$1,399,989 | \$(31,714) | \$553 | \$791,655 | \$(13,371) | \$(68,409) | \$1,514,477 |

(1) Included in net realized gains or losses in the accompanying Consolidated Statement of Operations.

(2) Included in net change in unrealized appreciation (depreciation) in the accompanying Consolidated Statement of Operations.

(3) There were no transfers in or out of Level 3 during the three months ended March 31, 2018.

(4) Transfers out of Level 3 during the year ended December 31, 2017 relate to the conversion of the Company's debt investment in Sungevity, Inc. and a portion of the Company's debt investment in Gamma Medica, Inc. to common stock through bankruptcy transactions. IPOs of ForeScout Technologies, Inc., Aquantia Corporation, and Quanterix Corporation, and merger of our former portfolio company Cempra, Inc. and current portfolio company Melinta Therapeutics, Inc. into NASDAQ-listed company Melinta Therapeutics, Inc. Transfers into Level 3 during the year ended December 31, 2017 relate to the conversion of the Company's debt investment in Sungevity, Inc. and a portion of the Company's debt investment in Gamma Medica, Inc. to common stock through bankruptcy transactions.

(5) Amounts listed above are inclusive of loan origination fees received at the inception of the loan which are deferred and amortized into fee income as well as the accretion of existing loan discounts and fees during the period.

Escrow receivable purchases may include additions due to proceeds held in escrow from the liquidation of level 3 investments.

(6)

Amounts listed above include the acceleration and payment of loan discounts and loan fees due to early payoffs or restructures.

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For the three months ended March 31, 2018, approximately \$2.1 million in net unrealized depreciation and \$618,000 in net unrealized appreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. For the same period, approximately \$13.5 million in net unrealized depreciation and \$3.4 million in net unrealized depreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

For the year ended December 31, 2017, approximately \$4.2 million in net unrealized appreciation and \$49.2 million in net unrealized depreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. The depreciation on common stock during the period reflects the conversion of the Company's debt investment in Sungevity, Inc. to common stock at cost through a bankruptcy transaction and subsequent depreciation to fair value. For the same period, approximately \$10.5 million in net unrealized depreciation and \$9.0 million in net unrealized appreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

The following tables provide quantitative information about the Company's Level 3 fair value measurements as of March 31, 2018 and December 31, 2017. In addition to the techniques and inputs noted in the tables below, according to the Company's valuation policy the Company may also use other valuation techniques and methodologies when determining the Company's fair value measurements. The tables below are not intended to be all-inclusive, but rather provide information on the significant Level 3 inputs as they relate to the Company's fair value measurements.

The significant unobservable input used in the fair value measurement of the Company's escrow receivables is the amount recoverable at the contractual maturity date of the escrow receivable.

| Investment Type - Level | Fair Value at | | Valuation | Unobservable Input ⁽¹⁾ | Weighted Range Average ⁽²⁾ |
|-------------------------|----------------|----------------|---|---|---------------------------------------|
| | March 31, 2018 | (in thousands) | | | |
| Three Debt Investments | \$ 59,128 | | Techniques/Methodologies Originated Within 4-6 Months | Origination Yield | 10.55% |
| Pharmaceuticals | 310,692 | | Market Comparable Companies | Hypothetical Market Yield | 12.71% 10.60% |
| | | | | Premium/(Discount) | 2.50% 16.34% (0.25%) |
| | | | | | 1.00% |
| | | | | Probability weighting of alternative outcomes | 100.00% |
| | 91,882 | | Liquidation ⁽³⁾ Originated Within 4-6 Months | Origination Yield | 10.40% |
| Technology | 364,111 | | Market Comparable Companies | Hypothetical Market Yield | 15.15% 10.02% |
| | | | | | 1.59% 3.84% |

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| | | | | |
|--------------------------------------|--------|------------------------------|---|---------|
| | | | Premium/(Discount) | 26.08% |
| | | | | (0.25%) |
| | | | | - |
| | 16,421 | Liquidation ⁽³⁾ | Probability weighting of alternative outcomes | 1.00% |
| | | | | 5.00% |
| | | | | - |
| | | | | 100.00% |
| Sustainable and Renewable Technology | 17,630 | Originated Within 4-6 Months | Origination Yield | 11.97% |
| | | | | 1.97% |
| | 69,376 | Market Comparable Companies | Hypothetical Market Yield | 11.25% |
| | | | | - |
| | | | | 20.61% |
| | | | | 4.04% |
| Medical Devices | 17,132 | Originated Within 4-6 Months | Origination Yield | 13.49% |
| | | | | 3.49% |