

Hercules Capital, Inc.
Form 10-Q
August 04, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For The Quarterly Period Ended June 30, 2016

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

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

On August 1, 2016, there were 74,844,969 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)

	June 30, 2016	December 31, 2015
Assets		
Investments:		
Non-control/Non-affiliate investments (cost of \$1,334,302 and \$1,238,539, respectively)	\$ 1,292,934	\$ 1,192,652
Control investments (cost of \$21,294 and \$0, respectively)	4,000	—
Affiliate investments (cost of \$13,799 and \$13,742, respectively)	5,844	7,986
Total investments, at value (cost of \$1,369,395 and \$1,252,281, respectively)	1,302,778	1,200,638
Cash and cash equivalents	59,715	95,196
Restricted cash	3,605	9,191
Interest receivable	9,453	9,239
Other assets	19,620	9,720
Total assets	\$ 1,395,171	\$ 1,323,984
Liabilities		
Accounts payable and accrued liabilities	\$ 16,681	\$ 17,241
Long-Term Liabilities (Convertible Senior Notes), net (principal of \$0 and \$17,604) ⁽¹⁾	—	17,478
Wells Facility	—	50,000
2021 Asset-Backed Notes, net (principal of \$129,300 and \$129,300, respectively) ⁽¹⁾	127,461	126,995
2019 Notes, net (principal of \$110,364 and \$110,364, respectively) ⁽¹⁾	108,499	108,179
2024 Notes, net (principal of \$244,945 and \$103,000, respectively) ⁽¹⁾	237,570	100,128
Long-Term SBA Debentures, net (principal of \$190,200 and \$190,200, respectively) ⁽¹⁾	187,165	186,829
Total liabilities	\$ 677,376	\$ 606,850
Net assets consist of:		
Common stock, par value	75	73
Capital in excess of par value	774,339	752,244
Unrealized depreciation on investments ⁽²⁾	(68,046)	(52,808)
Accumulated realized gains on investments	23,550	27,993

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Distributions in excess of net investment income	(12,123)	(10,368)
Total net assets	\$717,795	\$717,134
Total liabilities and net assets	\$1,395,171	\$1,323,984
Shares of common stock outstanding (\$0.001 par value, 200,000,000 and 100,000,000 authorized, respectively)	74,320	72,118
Net asset value per share	\$9.66	\$9.94

- (1) The Company's SBA Debentures, 2019 Notes, 2024 Notes, 2021 Asset-Backed Notes, and Convertible Senior Notes, as each term is defined herein, are presented net of the associated debt issuance costs for each instrument. See "Note 2 – Summary of Significant Accounting Policies" and "Note 4 – Borrowings".
- (2) Amounts include \$1.4 million and \$1.2 million, respectively, in net unrealized depreciation on other assets and accrued liabilities, including escrow receivables, estimated taxes payable and Citigroup warrant participation agreement liabilities.

See notes to consolidated financial statements.

The following table presents the assets and liabilities of our consolidated securitization 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)	June 30, 2016	December 31, 2015
Assets		
Restricted Cash	\$3,605	\$9,191
Total investments, at value (cost of \$271,886 and \$258,748, respectively)	269,452	257,657
Total assets	\$273,057	\$266,848
Liabilities		
2021 Asset-Backed Notes, net (principal of \$129,300 and \$129,300, respectively) ⁽¹⁾	\$127,461	\$126,995
Total liabilities	\$127,461	\$126,995

(1) The Company’s 2021 Asset-Backed Notes are presented net of the associated debt issuance costs for each instrument. See “Note 2 – Summary of Significant Accounting Policies” and “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 June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Investment income:				
Interest income				
Non-control/Non-affiliate investments	\$39,571	\$35,144	\$75,980	\$65,605
Affiliate investments	50	96	115	195
Total interest income	39,621	35,240	76,095	65,800
Fees				
Non-control/Non-affiliate investments	3,917	2,886	6,382	4,819
Affiliate investments	—	—	—	1
Total fees	3,917	2,886	6,382	4,820
Total investment income	43,538	38,126	82,477	70,620
Operating expenses:				
Interest	7,572	7,571	14,589	15,425
Loan fees	1,278	1,580	2,267	3,093
General and administrative	4,401	4,069	7,980	7,687
Employee compensation:				
Compensation and benefits	5,331	5,857	10,016	9,653
Stock-based compensation	1,602	2,267	4,174	4,987
Total employee compensation	6,933	8,124	14,190	14,640
Total operating expenses	20,184	21,344	39,026	40,845
Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes)	—	(1)	—	(1)
Net investment income	23,354	16,781	43,451	29,774
Net realized gain (loss) on investments				
Non-control/Non-affiliate investments	25	(1,254)	(4,443)	2,058
Total net realized gain (loss) on investments	25	(1,254)	(4,443)	2,058
Net change in unrealized appreciation (depreciation) on investments				
Non-control/Non-affiliate investments	(8,159)	(12,854)	(9,618)	(9,554)
Control investments	(3,421)	—	(3,421)	—
Affiliate investments	(2,324)	79	(2,199)	2,392
Total net unrealized depreciation on investments	(13,904)	(12,775)	(15,238)	(7,162)
Total net realized and unrealized loss	(13,879)	(14,029)	(19,681)	(5,104)
Net increase in net assets resulting from operations	\$9,475	\$2,752	\$23,770	\$24,670
Net investment income before investment gains and losses per common share:				
Basic	\$0.32	\$0.23	\$0.59	\$0.43

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Change in net assets resulting from operations per common share:				
Basic	\$0.13	\$0.03	\$0.32	\$0.35
Diluted	\$0.13	\$0.03	\$0.32	\$0.35
Weighted average shares outstanding				
Basic	72,746	71,368	71,959	67,596
Diluted	72,762	71,593	71,965	67,901
Dividend distributions declared per common share:				
Basic	\$0.31	\$0.31	\$0.62	\$0.62

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 Realized Gains (Losses) on Investments	Undistributed Net Investment Income/ (Distributions in Excess of Investment Income)	Provision for Income Taxes on Investment Gains	Net Assets
Balance at December 31, 2014	64,715	\$ 65	\$ 657,233	\$ (17,076)	\$ 14,079	\$ 4,905	\$ (342)	\$ 658,864
Net increase (decrease) in net assets resulting from operations	—	—	—	(7,162)	2,058	29,774	—	24,670
Public offering, net of offering expenses	7,591	8	100,084	—	—	—	—	100,092
Issuance of common stock due to stock option exercises	36	—	428	—	—	—	—	428
Retired shares from net issuance	(28)	—	(423)	—	—	—	—	(423)
Issuance of common stock under restricted stock plan	603	1	(1)	—	—	—	—	—
Retired shares for restricted stock vesting	(514)	(1)	(3,399)	—	—	—	—	(3,400)
Issuance of common stock as stock dividend	90	—	1,199	—	—	—	—	1,199
Dividend distributions	—	—	—	—	—	(42,766)	—	(42,766)
Stock-based compensation ⁽¹⁾	—	—	5,027	—	—	—	—	5,027
Balance at June 30, 2015	72,493	\$ 73	\$ 760,148	\$ (24,238)	\$ 16,137	\$ (8,087)	\$ (342)	\$ 743,691
Balance at December 31, 2015	72,118	\$ 73	\$ 752,244	\$ (52,808)	\$ 27,993	\$ (10,026)	\$ (342)	\$ 717,134
Net increase (decrease) in net assets resulting from operations	—	—	—	(15,238)	(4,443)	43,451	—	23,770
	2,201	2	23,668	—	—	—	—	23,670

Public offering, net of offering expenses									
Acquisition of common stock under repurchase plan	(450)	(1)	(4,789)	—	—	—	—	—	(4,790)
Issuance of common stock due to stock option exercises	11	—	118	—	—	—	—	—	118
Retired shares from net issuance	—	—	—	—	—	—	—	—	—
Issuance of common stock under restricted stock plan	547	1	(1)	—	—	—	—	—	—
Retired shares for restricted stock vesting	(192)	—	(2,122)	—	—	—	—	—	(2,122)
Issuance of common stock as stock dividend	85	—	997	—	—	—	—	—	997
Dividend distributions	—	—	—	—	—	—	(45,206)	—	(45,206)
Stock-based compensation ⁽¹⁾	—	—	4,224	—	—	—	—	—	4,224
Balance at June 30, 2016	74,320	\$ 75	\$ 774,339	\$ (68,046)	\$ 23,550	\$ (11,781)	\$ (342)	\$ 717,795	

(1) Stock-based compensation includes \$50,000 of restricted stock and option expense related to director compensation.

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(dollars in thousands)

	For the Six Months Ended June 30,	
	2016	2015
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$23,770	\$24,670
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(330,750)	(373,422)
Principal and fee payments received on investments	221,331	154,208
Proceeds from the sale of investments	6,041	7,494
Net unrealized depreciation on investments	15,238	7,162
Net realized loss (gain) on investments	4,443	(2,058)
Accretion of paid-in-kind principal	(3,243)	(1,584)
Accretion of loan discounts	(3,776)	(3,412)
Accretion of loan discount on Convertible Senior Notes	82	123
Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes)	—	1
Payment of loan discount on Convertible Senior Notes	—	(5)
Accretion of loan exit fees	(10,968)	(6,624)
Change in deferred loan origination revenue	(44)	1,758
Unearned fees related to unfunded commitments	(113)	1,074
Amortization of debt fees and issuance costs	1,839	2,669
Depreciation	104	111
Stock-based compensation and amortization of restricted stock grants	4,224	5,027
Change in operating assets and liabilities:		
Interest and fees receivable	(214)	227
Prepaid expenses and other assets	(9,041)	2,744
Accounts payable	56	(732)
Accrued liabilities	(879)	200
Net cash used in operating activities	(81,900)	(180,369)
Cash flows from investing activities:		
Purchases of capital equipment	(146)	(80)
Reduction of restricted cash	5,586	850
Net cash provided by investing activities	5,440	770
Cash flows from financing activities:		
Issuance of common stock, net	23,670	100,092
Repurchase of common stock, net	(4,790)	—

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Retirement of employee shares	(2,004)	(3,395)
Dividend distributions paid	(44,209)	(41,567)
Issuance of 2024 Notes Payable	141,945	—
Repayments of 2019 Notes Payable	—	(20,000)
Repayments of 2017 Asset-Backed Notes	—	(16,049)
Borrowings of credit facilities	170,985	50,000
Repayments of credit facilities	(220,985)	(378)
Cash paid for debt issuance costs	(4,722)	—
Cash paid for redemption of Convertible Senior Notes	(17,604)	(65)
Fees paid for credit facilities and debentures	(1,307)	(168)
Net cash provided by financing activities	40,979	68,470
Net decrease in cash and cash equivalents	(35,481)	(111,129)
Cash and cash equivalents at beginning of period	95,196	227,116
Cash and cash equivalents at end of period	\$59,715	\$115,987
Supplemental non-cash investing and financing activities:		
Dividend distributions reinvested	\$997	\$1,199

(1) Stock-based compensation includes \$50,000 of restricted stock and option expense related to director compensation.

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value
Technology Tools							
Under 1 Year Maturity							
Core, Inc. ⁽¹¹⁾	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45%			
				or Floor rate of 9.95%	\$6,000	\$5,898	\$5,898
Total: 1-5 Years Maturity							
Total: Biotechnology Tools (0.82%)*						5,898	5,898
Communications & Networking							
Under 1 Year Maturity							
Peak, Inc. ⁽⁷⁾	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75%			
				or Floor rate of 12.00%	\$12,370	9,134	—
Total: Under 1 Year Maturity						9,134	—
1-5 Years Maturity							
Anti Communications Corp ⁽⁴⁾⁽⁹⁾	Communications & Networking	Senior Secured	October 2019	Interest rate FIXED 10.00%	\$7,500	6,740	5,625
Cross, Inc. ^{(13)(14B)(15)}	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 7.70%			
				or Floor rate of 10.95%,			
				PIK Interest 5.00%	\$16,758	16,900	—
ing Mobile Solutions, ^(14B)	Communications & Networking	Senior Secured	January 2019	Interest rate PRIME + 6.70%			
				or Floor rate of 9.95%	\$3,000	2,984	2,984
Total: 1-5 Years Maturity							
Total: Communications & Networking						26,624	8,609
Total: (0.0%)*						35,758	8,609
Consumer & Business Products							
Under 1 Year Maturity							

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Antenna79 (p.k.a. Pong Research Corporation) ^{(13)(14B)(14D)(15)}	Consumer & Business Products	Senior Secured	November 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%, PIK Interest 2.50%	\$4,274	4,373	3,600	
	Consumer & Business Products	Senior Secured	November 2016	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$156	156	156	
Antenna79 (p.k.a. Pong Research Corporation)					\$4,430	4,529	3,800	
Fluc, Inc. (p.k.a. Fluc, Inc.) ⁽⁸⁾	Consumer & Business Products	Convertible Debt	March 2017	Interest rate FIXED 4.00%	\$100	100	—	
Total: Under 1 Year Maturity							4,629	3,800
Gal ^{(14B)(15)}	Consumer & Business Products	Senior Secured	May 2019	Interest rate PRIME + 5.45% or Floor rate of 8.95%	\$15,000	15,119	15,000	
Time Around Amplify Holdings, Inc. ^{(14A)(15)}	Consumer & Business Products	Senior Secured	February 2019	Interest rate PRIME + 7.25% or Floor rate of 10.75%	\$2,500	2,490	2,400	
Total: 1-5 Years Maturity							17,609	17,400
Total: Consumer & Business Products							22,238	21,400

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾	
Drug Delivery								
Under 1 Year Maturity								
Celsion Corporation ^{(10)(14A)}	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00%				
				or Floor rate of 11.25%	\$4,355	\$4,616	\$4,616	
Subtotal: Under 1 Year Maturity						4,616	4,616	
1-5 Years Maturity								
AccelRx Pharmaceuticals, Inc. ^{(9)(10)(14A)(15)}	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85%				
				or Floor rate of 9.10%	\$20,466	21,059	21,002	
Agile Therapeutics, Inc. ^{(10)(14A)}	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75%				
				or Floor rate of 9.00%	\$16,500	16,465	16,382	
Apprecia Pharmaceuticals Company ^(14A)	Drug Delivery	Senior Secured	January 2020	Interest rate PRIME + 5.75%				
				or Floor rate of 9.25%	\$20,000	19,415	19,415	
BLIND Therapeutics, Inc. ^{(14B)(15)}	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 5.10%				
				or Floor rate of 8.35%	\$8,345	8,820	8,820	
BioQ Pharma Incorporated ^{(10)(14A)(14B)}	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 8.00%				
				or Floor rate of 11.25%	\$10,000	10,296	10,166	
	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 7.00%				
				or Floor rate of 10.25%	\$3,000	3,006	2,990	
Total BioQ Pharma Incorporated						\$13,000	13,302	13,156
Celator Pharmaceuticals, Inc. ^{(10)(14A)}	Drug Delivery	Senior Secured	June 2018	Interest rate PRIME + 6.50%				
				or Floor rate of 9.75%	\$12,839	12,975	12,975	
Dance Biopharm, Inc. ^{(7)(14A)(15)}	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40%				
				or Floor rate of 10.65%	\$2,165	2,275	1,000	
Edge Therapeutics, Inc. ^{(10)(14A)}	Drug Delivery	Senior Secured	March 2018	Interest rate PRIME + 5.45%	\$4,359	4,376	4,389	

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Regalet Corporation ^{(11)(14A)}	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.15% or Floor rate of 9.95%			
Pulmatrix Inc. ^{(8)(10)(14A)}	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25% or Floor rate of 9.40%	\$ 15,000	15,155	15,206
EP Opco, Inc (p.k.a. Cosano Pharma) ^{(10)(14A)}	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 2.70% or Floor rate of 9.50%	\$ 7,000	6,973	6,964
				or Floor rate of 7.95%	\$ 15,000	15,068	14,900
Subtotal: 1-5 Years Maturity						135,883	134,209
Subtotal: Drug Delivery (19.34%)*						140,499	138,825

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾	
Drug Discovery & Development								
Under 1 Year Maturity								
Neuralstem, Inc. ^{(14A)(15)}	Drug Discovery & Development	Senior Secured	April 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$6,109	\$6,278	\$6,278	
Subtotal: Under 1 Year Maturity						6,278	6,278	
1-5 Years Maturity								
Aveo Pharmaceuticals, Inc. ^{(9)(14A)(14B)}	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 6.65% or Floor rate of 11.90%	\$10,000	10,202	10,101	
	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 6.90% or Floor rate of 11.90%	\$5,000	4,871	4,871	
Total Aveo Pharmaceuticals, Inc.						\$15,000	15,073	14,972
Bellicum Pharmaceuticals, Inc. ^{(14B)(15)(17)}	Drug Discovery & Development	Senior Secured	March 2020	Interest rate PRIME + 5.85% or Floor rate of 9.35%	\$15,000	14,995	14,995	
Brickell Biotech, Inc. ^{(11)(14A)}	Drug Discovery & Development	Senior Secured	September 2019	Interest rate PRIME + 5.70% or Floor rate of 9.20%	\$7,500	7,385	7,347	
Cerecor, Inc. ^{(11)(14A)}	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 4.70% or Floor rate of 7.95%	\$4,065	4,134	4,182	
Cerulean Pharma, Inc. ^{(12)(14B)}	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 1.55% or Floor rate of 7.30%	\$17,112	17,660	17,558	
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) ^{(10)(14A)}	Drug Discovery & Development	Senior Secured	December 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$23,236	23,940	24,063	
CytRx Corporation ^{(10)(14B)(15)}	Drug Discovery & Development	Senior Secured	February 2020	Interest rate PRIME + 6.00% or Floor rate of 9.50%	\$25,000	24,643	24,643	
			April 2018	Interest rate PRIME + 4.70%	\$5,296	5,579	1,750	

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Epirus Biopharmaceuticals, Inc. ^{(7)(12)(14A)}	Drug Discovery & Development	Senior Secured		or Floor rate of 7.95%				
Genocea Biosciences, Inc. ^{(10)(14A)(17)}	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 2.25%				
				or Floor rate of 7.25%	\$17,000	17,156	17,152	
Immune Pharmaceuticals ^{(10)(14B)}	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 4.75%				
				or Floor rate of 10.00%	\$4,101	4,084	2,584	
Insmed, Incorporated ^{(10)(14A)}	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 4.75%				
				or Floor rate of 9.25%	\$25,000	24,815	24,758	
Mast Therapeutics, Inc. ^{(14A)(15)}	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 5.70%				
				or Floor rate of 8.95%	\$15,000	15,013	14,992	
Melinta Therapeutics ^{(12)(14A)}	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 3.75%				
				or Floor rate of 8.25%	\$30,000	30,181	30,110	
Merrimack Pharmaceuticals, Inc. ⁽⁹⁾	Drug Discovery & Development	Senior Secured	December 2022	Interest rate FIXED 11.50%				
					\$25,000	25,000	25,149	
Neothetics, Inc. (p.k.a. Lithera, Inc) ^{(14A)(15)}	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 5.75%				
				or Floor rate of 9.00%	\$4,000	4,160	4,153	
Paratek Pharmaceuticals, Inc. ^{(14A)(15)(17)}	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75%				
				or Floor rate of 8.50%	\$20,000	19,959	19,975	
PhaseRx, Inc. ^{(14B)(15)}	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 5.75%				
				or Floor rate of 9.25%	\$6,000	5,814	5,814	
uniQure B.V. ^{(4)(9)(10)(14B)}	Drug Discovery & Development	Senior Secured	May 2020	Interest rate PRIME + 3.00%				
				or Floor rate of 8.25%	\$20,000	19,918	19,736	
XOMA Corporation ^{(9)(14B)(15)}	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 2.15%				
				or Floor rate of 9.40%	\$20,000	20,290	20,175	
Subtotal: 1-5 Years Maturity						299,799	294,108	
Subtotal: Drug Discovery & Development (41.85%)*						306,077	300,386	
Electronics & Computer Hardware								
1-5 Years Maturity								
Persimmon Technologies ^{(11)(14B)}	Electronics & Computer Hardware	Senior Secured	June 2019	Interest rate PRIME + 7.50%				
				or Floor rate of 11.00%	\$7,000	6,986	6,925	
Subtotal: 1-5 Years Maturity						6,986	6,925	
Subtotal: Electronics & Computer Hardware (0.96%)*						6,986	6,925	

Healthcare Services, Other							
1-5 Years Maturity							
InstaMed Communications, LLC ^{(14B)(15)}	Healthcare Services, Other	Senior Secured	February 2019	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$ 10,000	10,210	10,208
Subtotal: 1-5 Years Maturity						10,210	10,208
Subtotal: Healthcare Services, Other (1.42%)*						10,210	10,208

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Internet Consumer & Business Services							
Under 1 Year Maturity							
NetPlenish ⁽⁷⁾⁽⁸⁾⁽¹⁵⁾⁽¹⁸⁾	Internet Consumer & Business Services	Convertible Debt	September 2016	Interest rate FIXED 10.00%	\$381	\$373	\$—
	Internet Consumer & Business Services	Senior Secured	April 2016	Interest rate FIXED 10.00%	\$44	44	—
Total NetPlenish					\$425	417	—
Subtotal: Under 1 Year Maturity						417	—
5 Years Maturity							
Aria Systems, Inc. ⁽¹⁰⁾⁽¹³⁾	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%	\$2,041	2,020	1,977
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%	\$18,282	18,076	17,719
Total Aria Systems, Inc.					\$20,323	20,096	19,696
CloudOne, Inc. ^{(10)(14B)}	Internet Consumer & Business Services	Senior Secured	April 2019	Interest rate PRIME + 6.35% or Floor rate of 9.85%	\$5,000	4,979	4,979
LogicSource ^{(14B)(15)}	Internet Consumer & Business Services	Senior Secured	October 2019	Interest rate PRIME + 6.25% or Floor rate of 9.75%	\$8,500	8,423	8,423
One Planet Ops Inc. (k.a. Reply! Inc.)	Internet Consumer & Business Services	Senior Secured	March 2019	Interest rate PRIME + 4.25% or Floor rate of 7.50%	\$5,464	5,102	5,102
ReachLocal ^{(12)(14B)}	Internet Consumer & Business Services	Senior Secured	April 2018	Interest rate PRIME + 8.50%	\$25,000	25,407	25,407

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agajob.com, c.(13)(14A)	Services Internet Consumer & Business Services	Senior Secured	July 2020	or Floor rate of 11.75% Interest rate PRIME + 5.15%				
				or Floor rate of 9.15%, PIK Interest 1.95%	\$35,000	33,977	33,977	
ectura orporation(7)(8)(13)	Internet Consumer & Business Services	Senior Secured	June 2021	Interest rate FIXED 6.00%, PIK Interest 3.00%	\$19,401	19,401	19,401	
	Internet Consumer & Business Services	Senior Secured	June 2021	PIK Interest 8.00%	\$11,015	240	—	
otal Tectura orporation					\$30,416	19,641	19,401	
bttotal: 1-5 Years Maturity						117,625	116,98	
bttotal: Internet Consumer & Business ervices (16.30%)*						118,042	116,98	
edia/Content/Info 5 Years Maturity								
achine Zone, c.(13)(16)	Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 2.50% or Floor rate of 6.75%, PIK Interest 3.00%	\$102,216	100,402	99,938	
P Technology, Inc. /attpad, c.)(4)(9)(11)(14B)	Media/Content/Info	Senior Secured	April 2020	Interest rate PRIME + 4.75% or Floor rate of 8.25%	\$5,000	4,971	4,971	
bttotal: 1-5 Years Maturity						105,373	104,90	
bttotal: Media/Content/Info (14.62%)*						105,373	104,90	

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HERCULES CAPITAL, INC.

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(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾	
Medical Devices & Equipment								
Under 1 Year Maturity								
InspireMD, Inc. ^{(4)(9)(14B)}	Medical Devices & Equipment	Senior Secured	June 2017	Interest rate PRIME + 5.00% or Floor rate of 10.50%	\$3,648	\$4,107	\$4,107	
Subtotal: Under 1 Year Maturity						4,107	4,107	
1-5 Years Maturity								
Amedica Corporation ^{(8)(14B)(15)}	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 9.20% or Floor rate of 12.45%	\$10,628	11,756	11,492	
Aspire Bariatrics, Inc. ^{(14B)(15)}	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 4.00% or Floor rate of 9.25%	\$6,584	6,531	6,504	
Avedro, Inc. ^{(14A)(15)}	Medical Devices & Equipment	Senior Secured	June 2018	Interest rate PRIME + 6.00% or Floor rate of 9.25%	\$11,761	11,782	11,731	
Flowonix Medical Incorporated ^{(12)(14B)(17)}	Medical Devices & Equipment	Senior Secured	May 2018	Interest rate PRIME + 4.75% or Floor rate of 10.00%	\$13,671	13,929	13,855	
	Medical Devices & Equipment	Senior Secured	March 2019	Interest rate PRIME + 6.50% or Floor rate of 10.00%	\$5,000	4,826	4,826	
Total Flowonix Medical Incorporated						\$18,671	18,755	18,681
Gamma Medica, Inc. ^{(10)(14B)}	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$2,500	2,593	2,575	
IntegenX, Inc. ^{(14B)(15)}	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%	\$12,500	12,344	12,344	
Micell Technologies, Inc. ^{(11)(14B)}	Medical Devices & Equipment	Senior Secured	August 2019	Interest rate PRIME + 7.25% or Floor rate of 10.50%	\$8,500	8,325	8,325	
Quanta Fluid Solutions ^{(4)(9)(10)(14B)}	Medical Devices & Equipment	Senior Secured	April 2020	Interest rate PRIME + 8.05%	\$12,500	12,413	12,413	

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	Equipment			or Floor rate of 11.55%			
Quanterix Corporation ^{(10)(14A)(17)}	Medical Devices & Equipment	Senior Secured	February 2018	Interest rate PRIME + 2.75%			
				or Floor rate of 8.00%	\$12,661	12,822	12,839
SynergEyes, Inc. ^{(14B)(15)}	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75%			
				or Floor rate of 11.00%	\$3,332	3,677	3,609
Subtotal: 1-5 Years Maturity						100,998	100,513
Subtotal: Medical Devices & Equipment (14.58%)*						105,105	104,620

Semiconductors

1-5 Years Maturity

Achronix Semiconductor Corporation ^{(14B)(15)(17)}	Semiconductors	Senior Secured	July 2018	Interest rate PRIME + 8.25%			
				or Floor rate of 11.50%	\$4,268	4,391	4,348
Avnera Corporation ^{(10)(14A)}	Semiconductors	Senior Secured	April 2018	Interest rate PRIME + 5.25%			
				or Floor rate of 8.50%	\$7,500	7,556	7,641
Subtotal: 1-5 Years Maturity						11,947	11,989
Subtotal: Semiconductors (1.67%)*						11,947	11,989

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Software							
Under 1 Year Maturity							
JumpStart Games, Inc. (p.k.a. Knowledge Adventure, Inc.) ^{(13)(14C)(15)}	Software	Senior Secured	October 2016	Interest rate FIXED 5.75%, PIK Interest 10.75%	\$1,524	\$1,574	\$936
RedSeal Inc. ⁽¹⁵⁾	Software	Senior Secured	June 2017	Interest rate PRIME + 3.25% or Floor rate of 6.50%	\$1,343	1,343	1,343
Touchcommerce, Inc. ⁽¹⁵⁾	Software	Senior Secured	August 2016	Interest rate PRIME + 2.25% or Floor rate of 6.50%	\$6,000	6,000	6,000
Subtotal: Under 1 Year Maturity						8,917	8,279
1-5 Years Maturity							
Actifio, Inc. ^{(13)(14A)}	Software	Senior Secured	January 2019	Interest rate PRIME + 4.25% or Floor rate of 8.25%, PIK Interest 2.25%	\$30,609	30,420	30,196
	Software	Senior Secured	January 2019	Interest rate PRIME + 4.75% or Floor rate of 8.75%, PIK Interest 2.50%	\$10,043	9,648	9,648
Total Actifio, Inc.					\$40,652	40,068	39,844
Clickfox, Inc. ^(14B)	Software	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.50%	\$12,000	11,721	11,720
Druva, Inc. ^{(10)(12)(14B)(17)}	Software	Senior Secured	March 2018	Interest rate PRIME + 4.60%	\$12,000	12,269	12,224

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	Software	Senior Secured	May 2018	Interest rate PRIME + 4.60% or Floor rate of 7.85%	\$5,000	4,967	4,967
Total Druva, Inc.					\$17,000	17,236	17,191
JumpStart Games, Inc. (p.k.a. Knowledge Adventure, Inc.) ^{(13)(14A)(15)}	Software	Senior Secured	March 2018	Interest rate FIXED 5.75%, PIK Interest 10.75%			
					\$12,649	12,192	7,250
Message Systems, Inc. ^{(14A)(15)}	Software	Senior Secured	February 2019	Interest rate PRIME + 7.25% or Floor rate of 10.50%	\$17,500	17,018	16,941
OneLogin, Inc. ⁽¹³⁾⁽¹⁵⁾	Software	Senior Secured	August 2019	Interest rate PRIME + 6.45% or Floor rate of 9.95%, PIK Interest 3.25%	\$13,141	12,999	12,999
Quid, Inc. ^{(13)(14A)(15)}	Software	Senior Secured	October 2019	Interest rate PRIME + 4.75% or Floor rate of 8.25%, PIK Interest 2.25%	\$8,024	7,959	7,959
RedSeal Inc. ^{(14A)(15)}	Software	Senior Secured	June 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$5,000	5,068	5,019
Signpost, Inc. ^{(13)(14A)(15)}	Software	Senior Secured	February 2020	Interest rate PRIME + 4.15% or Floor rate of 8.15%, PIK Interest 1.75%	\$15,102	14,743	14,743
Touchcommerce, Inc. ^{(14A)(15)}	Software	Senior Secured	February 2018	Interest rate PRIME + 6.00% or Floor rate of 10.25%	\$12,000	12,061	12,061
Subtotal: 1-5 Years Maturity						151,065	145,727
Subtotal: Software (21.46%)*						159,982	154,006

Specialty
Pharmaceuticals
1-5 Years
Maturity

Alimera Sciences, Inc. ^{(10)(14A)}	Specialty Pharmaceuticals	Senior Secured	May 2018	Interest rate PRIME + 7.65% or Floor rate of 10.90%	\$35,000	34,396	34,262
Jaguar Animal Health,	Specialty Pharmaceuticals	Senior Secured	August 2018	Interest rate PRIME + 5.65%	\$4,144	4,354	4,255

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Inc. ^{(10)(14B)}		or Floor rate of 9.90%					
Subtotal: 1-5							
Years Maturity						38,750	38,517
Subtotal: Specialty Pharmaceuticals							
(5.37%)*						38,750	38,517
Surgical Devices							
1-5 Years							
Maturity							
Transmedics,	Surgical Devices	Senior	March	Interest rate PRIME + 5.30%			
Inc. ^{(12)(14A)}		Secured	2019				
				or Floor rate of 9.55%	\$8,500	8,512	8,444
Subtotal: 1-5							
Years Maturity						8,512	8,444
Subtotal: Surgical Devices							
(1.18%)*						8,512	8,444

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Sustainable and Renewable Technology							
Under 1 Year Maturity							
Agrivida, Inc. ^{(14B)(15)}	Sustainable and Renewable Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$3,197	\$3,467	\$3,467
American Superconductor Corporation ^{(10)(14B)}	Sustainable and Renewable Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$1,667	2,155	2,155
	Sustainable and Renewable Technology	Senior Secured	June 2017	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$1,500	1,522	1,522
Total American Superconductor Corporation					\$3,167	3,677	3,677
Modumetal, Inc. ^{(11)(14D)}	Sustainable and Renewable Technology	Senior Secured	March 2017	Interest rate PRIME + 8.70% or Floor rate of 11.95%	\$1,089	1,524	1,524
Stion Corporation ^{(5)(14A)}	Sustainable and Renewable Technology	Senior Secured	February 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$1,294	1,294	1,294
Subtotal: Under 1 Year Maturity						9,962	9,962
1-5 Years Maturity							
FuelCell Energy, Inc. ^{(11)(14B)}	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate PRIME + 5.50% or Floor rate of 9.50%	\$15,000	15,114	15,114
Modumetal, Inc. ^{(11)(14C)}	Sustainable and Renewable	Senior Secured	October 2017	Interest rate PRIME + 6.00% or Floor rate of 9.25%	\$5,259	5,698	5,630

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Plug Power, Inc. ^{(9)(14B)}	Technology Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 6.45% or Floor rate of 10.45%	\$25,000	24,649	24,649
Proterra, Inc. ^{(10)(14B)}	Sustainable and Renewable Technology	Senior Secured	December 2018	Interest rate PRIME + 6.95% or Floor rate of 10.20%	\$30,000	30,262	30,188
Rive Technology, Inc. ^{(14A)(15)}	Sustainable and Renewable Technology	Senior Secured	January 2019	Interest rate PRIME + 6.20% or Floor rate of 9.45%	\$7,500	7,493	7,493
Sungevity, Inc. ^{(12)(14D)}	Sustainable and Renewable Technology	Senior Secured	October 2017	Interest rate PRIME + 3.70% or Floor rate of 6.95%	\$35,000	37,315	37,183
	Sustainable and Renewable Technology	Senior Secured	October 2017	Interest rate PRIME + 3.70% or Floor rate of 6.95%	\$20,000	20,000	20,004
Total Sungevity, Inc.					\$55,000	57,315	57,187
Tendril Networks ^{(11)(14B)}	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate FIXED 7.25%	\$15,000	15,082	14,843
Verdezyne, Inc. ^{(14B)(15)}	Sustainable and Renewable Technology	Senior Secured	April 2019	Interest rate PRIME + 8.25% or Floor rate of 11.75%	\$15,000	14,944	14,944
Subtotal: 1-5 Years Maturity						170,557	170,048
Subtotal: Sustainable and Renewable Technology (25.08%)*						180,519	180,010
Total Debt Investments (168.82%)*						1,255,896	1,211,782

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc. ⁽¹⁵⁾	Biotechnology Tools	Equity	Preferred Series C	189,394	\$500	\$571
Subtotal: Biotechnology Tools (0.08%)*					500	571
Communications & Networking						
GlowPoint, Inc. ⁽³⁾	Communications & Networking	Equity	Common Stock	114,192	101	33
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	5,058
Achilles Technology Management Co II, Inc. ⁽⁶⁾⁽¹⁵⁾	Communications & Networking	Equity	Common Stock	10,000	4,000	4,000
Subtotal: Communications & Networking (1.27%)*					5,101	9,091
Consumer & Business Products						
Market Force Information, Inc.	Consumer & Business Products	Equity	Common Stock	480,261	—	353
	Consumer & Business Products	Equity	Preferred Series B-1	187,970	500	3
Total Market Force Information, Inc.				668,231	500	356
Subtotal: Consumer & Business Products (0.05%)*					500	356
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	641
Subtotal: Diagnostic (0.09%)*					750	641
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾	Drug Delivery	Equity	Common Stock	54,240	108	146

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BioQ Pharma Incorporated ⁽¹⁵⁾	Drug Delivery	Equity	Preferred Series D	165,000	500	684
Edge Therapeutics, Inc. ⁽³⁾	Drug Delivery	Equity	Common Stock	161,856	1,000	1,636
Merrion Pharmaceuticals, Plc ⁽³⁾⁽⁴⁾⁽⁹⁾	Drug Delivery	Equity	Common Stock	20,000	9	—
Neos Therapeutics, Inc. ⁽³⁾⁽¹⁵⁾	Drug Delivery	Equity	Common Stock	125,000	1,500	1,160
Revance Therapeutics, Inc. ⁽³⁾	Drug Delivery	Equity	Common Stock	22,765	557	310
Subtotal: Drug Delivery (0.55%)*					3,674	3,936

Drug Discovery & Development

Aveo Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹⁵⁾	Drug Discovery & Development	Equity	Common Stock	426,931	1,060	364
Cerecor, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	119,087	1,000	262
Cerulean Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	135,501	1,000	287
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	429
Dynavax Technologies ⁽³⁾⁽⁹⁾	Drug Discovery & Development	Equity	Common Stock	20,000	550	292
Epirus Biopharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	90
Genocea Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	916
Inotek Pharmaceuticals Corporation ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	28
Insmed, Incorporated ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	698
Melinta Therapeutics	Drug Discovery & Development	Equity	Preferred Series 4	1,914,448	2,000	2,078
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	76,362	2,743	1,063
Subtotal: Drug Discovery & Development (0.91%)*					14,853	6,507

Electronics & Computer Hardware

Identiv, Inc. ⁽³⁾	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	12
Subtotal: Electronics & Computer Hardware (0.00%)*					34	12

Internet Consumer & Business Services

Blurb, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	200
Lightspeed POS, Inc. ⁽⁴⁾⁽⁹⁾	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	261

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	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	249
Total Lightspeed POS, Inc.				428,707	500	510
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	330
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	238
Total Oportun (p.k.a. Progress Financial)				306,153	500	568
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	—
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	32
Tectura Corporation	Internet Consumer & Business Services	Equity	Preferred Series BB	1,000,000	—	—
Subtotal: Internet Consumer & Business Services (0.18%)*					1,283	1,310

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HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Medical Devices & Equipment						
AtriCure, Inc. ⁽³⁾⁽¹⁵⁾	Medical Devices & Equipment	Equity	Common Stock	7,536	\$266	\$98
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series E	221,893	1,500	1,893
Gelesis, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Equity	Common Stock	198,202	—	679
	Medical Devices & Equipment	Equity	Preferred Series A-1	191,210	425	734
	Medical Devices & Equipment	Equity	Preferred Series A-2	191,626	500	695
Total Gelesis, Inc.				581,038	925	2,108
Medrobotics Corporation ⁽¹⁵⁾	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	220
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	184
	Medical Devices & Equipment	Equity	Preferred Series G	163,934	500	517
Total Medrobotics Corporation				374,703	905	921
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	—
Optiscan Biomedical, Corp. ⁽⁵⁾⁽¹⁵⁾	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	278
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	82
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	3,046
	Medical Devices & Equipment	Equity	Preferred Series E	11,508,204	963	987
Total Optiscan Biomedical, Corp.				74,725,003	9,875	4,393
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	530

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Quanterix Corporation	Medical Devices & Equipment	Equity	Preferred Series D	272,479	1,000	1,093
Subtotal: Medical Devices & Equipment (1.54%)*					15,998	11,036
Software						
Box, Inc. ⁽³⁾⁽¹⁵⁾	Software	Equity	Common Stock	1,287,347	5,654	12,794
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	83
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	1,239
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	1,229
	Software	Equity	Preferred Series E	80,587	131	314
Total ForeScout Technologies, Inc.				399,686	529	1,543
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	—
NewVoiceMedia Limited ⁽⁴⁾⁽⁹⁾	Software	Equity	Preferred Series E	669,173	963	806
Palantir Technologies	Software	Equity	Preferred Series E	727,696	5,431	5,431
WildTangent, Inc. ⁽¹⁵⁾	Software	Equity	Preferred Series 3	100,000	402	163
Subtotal: Software (3.07%)*					14,337	22,059
Specialty Pharmaceuticals						
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Equity	Preferred Series E	241,829	750	—
	Specialty Pharmaceuticals	Equity	Preferred Series E-1	26,955	—	—
	Specialty Pharmaceuticals	Equity	Preferred Series G	4,667,636	—	—
Total QuatRx Pharmaceuticals Company				4,936,420	750	—
Subtotal: Specialty Pharmaceuticals (0.00%)*					750	—
Surgical Devices						
Gynesonics, Inc. ⁽¹⁵⁾	Surgical Devices	Equity	Preferred Series B	219,298	250	29
	Surgical Devices	Equity	Preferred Series C	656,538	282	39
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	640
	Surgical Devices	Equity	Preferred Series E	2,786,367	429	413
Total Gynesonics, Inc.				5,653,360	1,673	1,121
Transmedics, Inc.	Surgical Devices	Equity		88,961	1,100	336

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			Preferred Series B			
	Surgical Devices	Equity	Preferred Series C	119,999	300	258
	Surgical Devices	Equity	Preferred Series D	260,000	650	871
	Surgical Devices	Equity	Preferred Series F	100,200	500	516
Total Transmedics, Inc.				569,160	2,550	1,981
Subtotal: Surgical Devices (0.43%)*					4,223	3,102
Sustainable and Renewable Technology						
Glori Energy, Inc. ⁽³⁾	Sustainable and Renewable Technology	Equity	Common Stock	18,208	165	4
Modumetal, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series C	3,107,520	500	503
SCIEnergy, Inc.	Sustainable and Renewable Technology	Equity	Common Stock	19,250	761	—
Sungevity, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Equity	Preferred Series D	68,807,339	6,750	6,777
Subtotal: Sustainable and Renewable Technology (1.01%)*					8,176	7,284
Total: Equity Investments (9.18%)*					70,179	65,905

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Warrant Investments						
Biotechnology Tools						
Exicure, Inc.	Biotechnology Tools	Warrant	Preferred Series C	104,348	\$107	\$ 103
Labcyte, Inc. ⁽¹⁵⁾	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	323	215
Subtotal: Biotechnology Tools (0.04%)*					430	318
Communications & Networking						
Intelepeer, Inc. ⁽¹⁵⁾	Communications & Networking	Warrant	Common Stock	117,958	102	—
OpenPeak, Inc.	Communications & Networking	Warrant	Common Stock	108,982	149	—
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	15
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	439
SkyCross, Inc. ⁽⁶⁾⁽¹⁵⁾	Communications & Networking	Warrant	Preferred Series F	9,762,777	394	—
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	418	38
Subtotal: Communications & Networking (0.07%)*					1,219	492
Consumer & Business Products						
Antenna79 (p.k.a. Pong Research Corporation) ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series A	1,662,441	228	—
Intelligent Beauty, Inc. ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	287
IronPlanet, Inc.	Consumer & Business Products	Warrant	Preferred Series D	1,155,821	1,077	766
Nasty Gal ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series C	845,194	23	7

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The Neat Company ⁽¹⁵⁾	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	—
Subtotal: Consumer & Business Products (0.15%)*					1,923	1,060
Diagnostic						
Navidea Biopharmaceuticals, Inc. (p.k.a. Neoprobe) ⁽³⁾⁽¹⁵⁾	Diagnostic	Warrant	Common Stock	333,333	244	—
Subtotal: Diagnostic (0.00%)*					244	—
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	176,730	785	107
Agile Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	180,274	730	523
Aprecia Pharmaceuticals Company	Drug Delivery	Warrant	Preferred Series A-1	735,981	366	362
BIND Therapeutics, Inc. ⁽³⁾⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	152,586	488	—
BioQ Pharma Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	524
Celsion Corporation ⁽³⁾	Drug Delivery	Warrant	Common Stock	194,986	428	4
Dance Biopharm, Inc. ⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	110,882	74	—
Edge Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	78,595	390	283
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	370
Neos Therapeutics, Inc. ⁽³⁾⁽¹⁵⁾	Drug Delivery	Warrant	Common Stock	70,833	285	90
Pulmatrix Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	25,150	116	4
ZP Opco, Inc (p.k.a. Zosano Pharma) ⁽³⁾	Drug Delivery	Warrant	Common Stock	72,379	266	—
Subtotal: Drug Delivery (0.32%)*					4,523	2,267

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Development						
ADMA Biologics, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	89,750	\$295	\$49
Anthera Pharmaceuticals, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	40,178	984	—
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Common Stock	2,069,880	396	505
Brickell Biotech, Inc.	Drug Discovery & Development	Warrant	Preferred Series C	26,086	119	118
Cerecor, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	22,328	70	3
Cerulean Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	171,901	369	75
Chroma Therapeutics, Ltd. ⁽⁴⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	—
Cleveland BioLabs, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	7,813	105	2
Concert Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	70,796	367	90
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	292,398	165	5
CytRx Corporation ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	634,146	416	599
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	200	28	—
Epirus Biopharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	64,194	276	—
Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.) ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	73,009	142	10
Genocea Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	73,725	266	86
Immune Pharmaceuticals ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	214,853	164	—
Mast Therapeutics, Inc. ⁽³⁾⁽¹⁵⁾		Warrant		2,272,724	203	455

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	Drug Discovery & Development		Common Stock			
Melinta Therapeutics	Drug Discovery & Development	Warrant	Preferred Series 3	1,382,323	626	155
Nanotherapeutics, Inc. ⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	171,389	838	705
Neothetics, Inc. (p.k.a. Lithera, Inc.) ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	46,838	266	18
Neuralstem, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	75,187	77	2
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	16,346	42	16
PhaseRx, Inc. ⁽³⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	63,000	125	92
uniQure B.V. ⁽³⁾⁽⁴⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Common Stock	37,174	218	28
XOMA Corporation ⁽³⁾⁽⁹⁾⁽¹⁵⁾	Drug Discovery & Development	Warrant	Common Stock	181,268	279	30
Subtotal: Drug Discovery & Development (0.42%)*					7,326	3,043

Electronics & Computer Hardware

Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	—
Persimmon Technologies	Electronics & Computer Hardware	Warrant	Preferred Series C	43,076	40	37
Subtotal: Electronics & Computer Hardware (0.01%)*					52	37

Healthcare Services, Other

Chromadex Corporation ⁽³⁾⁽¹⁵⁾	Healthcare Services, Other	Warrant	Common Stock	139,673	157	203
Subtotal: Healthcare Services, Other (0.03%)*					157	203

Information Services

Cha Cha Search, Inc. ⁽¹⁵⁾	Information Services	Warrant	Preferred Series G	48,232	58	—	
INMOBI Inc. ⁽⁴⁾⁽⁹⁾	Information Services	Warrant	Common Stock	46,874	82	—	
InXpo, Inc. ⁽¹⁵⁾	Information Services	Warrant	Preferred Series C	648,400	98	1	
	Information Services	Warrant	Preferred Series C-1	1,165,183	74	1	
Total InXpo, Inc.					1,813,583	172	2
RichRelevance, Inc. ⁽¹⁵⁾	Information Services	Warrant	Preferred Series E	112,612	98	—	
Subtotal: Information Services (0.00%)*					410	2	

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Internet Consumer & Business Services						
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series E	239,692	\$73	\$ 60
Blurb, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	102
CashStar, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C-2	727,272	130	22
CloudOne, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series E	968,992	19	38
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	1,950
Lightspeed POS, Inc. ⁽⁴⁾⁽⁹⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	245,610	20	65
LogicSource ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	79,625	30	58
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	102
Prism Education Group, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series B	200,000	43	—
ReachLocal ⁽³⁾	Internet Consumer & Business Services	Warrant	Common Stock	300,000	155	764
ShareThis, Inc. ⁽¹⁵⁾	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	132
Snagajob.com, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A	1,575,000	640	640
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	174
Tectura Corporation	Internet Consumer & Business Services	Warrant	Preferred Series B-1	253,378	51	—
Subtotal: Internet Consumer & Business Services (0.57%)*					3,840	4,107
Media/Content/Info						

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Machine Zone, Inc. ⁽¹⁶⁾	Media/Content/Info	Warrant	Common Stock	155,271	1,960	2,730
Rhapsody International, Inc. ⁽¹⁵⁾	Media/Content/Info	Warrant	Common Stock	715,755	384	116
WP Technology, Inc. (Wattpad, Inc.) ⁽⁴⁾⁽⁹⁾	Media/Content/Info	Warrant	Common Stock	127,909	1	1
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	347	17
Subtotal: Media/Content/Info (0.40%)*					2,692	2,864
Medical Devices & Equipment						
Amedica Corporation ⁽³⁾⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Common Stock	103,225	459	52
Aspire Bariatrics, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Preferred Series D	395,000	455	229
Avedro, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Preferred Series AA	300,000	401	148
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series E	155,325	362	595
Gamma Medica, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	450,956	170	210
Gelesis, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Preferred Series A-1	74,784	78	164
InspireMD, Inc. ⁽³⁾⁽⁴⁾⁽⁹⁾	Medical Devices & Equipment	Warrant	Common Stock	441,019	242	—
IntegenX, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Preferred Series C	547,752	15	16
Medrobotics Corporation ⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	322
Micell Technologies, Inc.	Medical Devices & Equipment	Warrant	Preferred Series D-2	84,955	262	337
NetBio, Inc.	Medical Devices & Equipment	Warrant	Common Stock	2,568	408	37
NinePoint Medical, Inc. ⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	58
Novasys Medical, Inc.	Medical Devices & Equipment	Warrant	Common Stock	109,449	2	—
	Medical Devices & Equipment	Warrant	Preferred Series D	526,840	125	—
	Medical Devices & Equipment	Warrant	Preferred Series D-1	53,607	6	—
Total Novasys Medical, Inc.				689,896	133	—
Optiscan Biomedical, Corp. ⁽⁵⁾⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,252	156
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	305
Quanterix Corporation	Medical Devices & Equipment	Warrant	Preferred Series C	173,428	180	104
SonaCare Medical, LLC (p.k.a. US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	6,464	188	—

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Strata Skin Sciences, Inc. (p.k.a. MELA Sciences, Inc.) ⁽³⁾	Medical Devices & Equipment	Warrant	Common Stock	69,320	402	—
ViewRay, Inc. ⁽³⁾⁽¹⁵⁾	Medical Devices & Equipment	Warrant	Common Stock	128,231	333	19
Subtotal: Medical Devices & Equipment (0.38%)*					6,282	2,752
Semiconductors						
Achronix Semiconductor Corporation ⁽¹⁵⁾	Semiconductors	Warrant	Preferred Series C	360,000	160	58
	Semiconductors	Warrant	Preferred Series D-1	500,000	7	1
Total Achronix Semiconductor Corporation				860,000	167	59
Aquantia Corp.	Semiconductors	Warrant	Preferred Series G	196,831	4	53
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	141,567	46	48
Subtotal: Semiconductors (0.02%)*					217	160

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Software						
Actifio, Inc.	Software	Warrant	Common Stock	73,584	\$249	\$ 163
	Software	Warrant	Preferred Series F	31,673	343	85
Total Actifio, Inc.				105,257	592	248
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	—
CareCloud Corporation ⁽¹⁵⁾	Software	Warrant	Preferred Series B	413,433	258	457
Clickfox, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series B	1,038,563	330	105
	Software	Warrant	Preferred Series C	592,019	730	110
	Software	Warrant	Preferred Series C-A	2,218,214	230	224
Total Clickfox, Inc.				3,848,796	1,290	439
Hillcrest Laboratories, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series E	1,865,650	55	207
JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.) ⁽¹⁵⁾	Software	Warrant	Preferred Series E	614,333	16	—
Message Systems, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C	503,718	334	247
Mobile Posse, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C	396,430	130	108
Neos, Inc. ⁽¹⁵⁾	Software	Warrant	Common Stock	221,150	22	105
NewVoiceMedia Limited ⁽⁴⁾⁽⁹⁾	Software	Warrant	Preferred Series E	225,586	33	34
OneLogin, Inc. ⁽¹⁵⁾	Software	Warrant	Common Stock	228,972	150	155
Poplicus, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C	2,595,230	—	69
Quid, Inc. ⁽¹⁵⁾	Software	Warrant		71,576	1	1

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			Preferred Series D			
Signpost, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C	324,005	314	384
Soasta, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series E	410,800	691	292
Sonian, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series C	185,949	106	23
Touchcommerce, Inc. ⁽¹⁵⁾	Software	Warrant	Preferred Series E	2,282,968	446	2,187
Subtotal: Software (0.69%)*					4,626	4,956
Specialty Pharmaceuticals						
Alimera Sciences, Inc. ⁽³⁾	Specialty Pharmaceuticals	Warrant	Common Stock	862,069	728	147
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Warrant	Preferred Series E	155,324	308	—
Subtotal: Specialty Pharmaceuticals (0.02%)*					1,036	147
Surgical Devices						
Gynesonics, Inc. ⁽¹⁵⁾	Surgical Devices	Warrant	Preferred Series C	180,480	74	9
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	215
Total Gynesonics, Inc.				1,756,445	394	224
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	10
	Surgical Devices	Warrant	Preferred Series D	175,000	100	370
	Surgical Devices	Warrant	Preferred Series F	16,476	3	15
Total Transmedics, Inc.				231,912	328	395
Subtotal: Surgical Devices (0.09%)*					722	619

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Sustainable and Renewable Technology						
Agrivida, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series D	471,327	\$120	\$70
Alphabet Energy, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series A	86,329	82	160
American Superconductor Corporation ⁽³⁾	Sustainable and Renewable Technology	Warrant	Common Stock	58,823	39	125
Brightsource Energy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 1	116,667	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	76
Fluidic, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series D	61,804	102	52
Fulcrum Bioenergy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series C-1	280,897	275	198
GreatPoint Energy, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series D-1	393,212	548	—
Polyera Corporation ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series C	311,609	338	12
Proterra, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 4	477,517	41	14

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Rive Technology, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series E	234,477	12	10
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 SCIEnergy, Inc.				537,040	231	—
Solexel, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series C	1,171,625	1,162	662
Stion Corporation ⁽⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series Seed	2,154	1,378	—
Sungevity, Inc.	Sustainable and Renewable Technology	Warrant	Common Stock	20,000,000	543	257
	Sustainable and Renewable Technology	Warrant	Preferred Series C	32,472,222	902	138
Total Sungevity, Inc.				52,472,222	1,445	395
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	205
TPI Composites, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series B	160	273	9
Trilliant, Inc. ⁽¹⁵⁾	Sustainable and Renewable Technology	Warrant	Preferred Series A	320,000	162	76
Subtotal: Sustainable and Renewable Technology (0.29%)*					7,621	2,064
Total: Warrant Investments (3.50%)*					43,320	25,091
Total Investments (181.50%)*					\$1,369,395	\$1,302,778

* Value as a percent of net assets

- (1) Preferred and common stock, warrants, and equity interests are generally non-income producing.
- (2) Gross unrealized appreciation, gross unrealized depreciation, and net depreciation for federal income tax purposes totaled \$22.5 million, \$89.4 million and \$66.9 million respectively. The tax cost of investments is \$1.4 billion.
- (3) Except for warrants in 38 publicly traded companies and common stock in 20 publicly traded companies, all investments are restricted at June 30, 2016 and were valued at fair value 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.
- (4) Non-U.S. company or the company's principal place of business is outside the United States.

- (5) 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.
- (6) 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.
- (7) Debt is on non-accrual status at June 30, 2016, and is therefore considered non-income producing. Note that at June 30, 2016, only the \$11.0 million PIK loan is on non-accrual for the Company’s debt investment in Tectura Corporation.
- (8) Denotes that all or a portion of the debt investment is convertible debt.
- (9) Indicates assets that the Company deems not “qualifying assets” under section 55(a) of the 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.
- (10) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).
- (11) Denotes that all or a portion of the debt investment is pledged as collateral under the Wells Facility (as defined in Note 4).
- (12) Denotes that all or a portion of the debt investment is pledged as collateral under the Union Facility (as defined in Note 4).
- (13) Denotes that all or a portion of the debt investment principal includes accumulated PIK, or payment-in-kind, interest and is net of repayments.
- (14) Denotes that all or a portion of the debt investment includes an exit fee receivable.
 - A. This fee ranges from 1.0% to 5.0% of the total debt commitment based on the contractual terms of our loan servicing agreements.
 - B. This fee ranges from 5.0% to 10.0% of the total debt commitment based on the contractual terms of our loan servicing agreements.
 - C. This fee ranges from 10.0% to 15.0% of the total debt commitment based on the contractual terms of our loan servicing agreements.
 - D. This fee is greater than 15.0% of the total debt commitment based on the contractual terms of our loan servicing agreements.
- (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 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 June 30, 2016.
- (17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company at June 30, 2016. Refer to Note 10.
- (18) Repayment of a portion of the debt investment is delinquent of the contractual maturity date.

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2015

(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Debt Investments							
Communications & Networking							
1-5 Years Maturity							
Avanti Communications Group ⁽⁴⁾⁽⁹⁾	Communications & Networking	Senior Secured	October 2019	Interest rate FIXED 10.00%	\$10,000	\$8,900	\$7,812
OpenPeak, Inc. ⁽⁷⁾	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$12,370	9,134	2,444
KeyCross, Inc. ⁽⁷⁾⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, PIK Interest 5.00%	\$19,649	20,080	14,859
Spring Mobile Solutions, Inc. ⁽¹³⁾	Communications & Networking	Senior Secured	January 2019	Interest rate PRIME + 6.70% or Floor rate of 9.95%	\$3,000	2,935	2,935
Subtotal: 1-5 Years Maturity						41,049	28,050
Subtotal: Communications & Networking (3.91%)*						41,049	28,050
Consumer & Business Products							
Under 1 Year Maturity							
Antenna79 (p.k.a. Pong Research Corporation) ⁽¹²⁾⁽¹⁴⁾	Consumer & Business Products	Senior Secured	June 2016	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$308	308	308
Subtotal: Under 1 Year Maturity						308	308
1-5 Years Maturity							
Antenna79 (p.k.a. Pong Research Corporation) ⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	Consumer & Business Products	Senior Secured	December 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%,	\$4,955	4,785	4,783

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				PIK Interest 2.50%			
Files, Inc. (p.k.a. Fluc, Inc.) (8)	Consumer & Business Products	Convertible Debt	March 2017	Interest rate FIXED 4.00%			
					\$ 100	100	—
asty Gal (13)(14)	Consumer & Business Products	Senior Secured	May 2019	Interest rate PRIME + 5.45%			
				or Floor rate of 8.95%	\$ 15,000	14,876	14,876
he Neat Company (7)(12)(13)(14)	Consumer & Business Products	Senior Secured	September 2017	Interest rate PRIME + 7.75%			
				or Floor rate of 11.00%,			
				PIK Interest 1.00%	\$ 15,936	15,545	5,527
Subtotal: 1-5 Years Maturity						35,306	25,186
Subtotal: Consumer & Business Products (3.55%)*						35,614	25,494

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Drug Delivery							
1-5 Years Maturity							
AcelRx Pharmaceuticals, Inc. ⁽⁹⁾⁽¹⁰⁾⁽¹³⁾⁽¹⁴⁾	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%	\$20,466	\$20,772	\$20,678
Agile Therapeutics, Inc. ⁽¹⁰⁾⁽¹³⁾	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75% or Floor rate of 9.00%	\$16,500	16,231	16,107
BIND Therapeutics, Inc. ⁽¹³⁾⁽¹⁴⁾	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 5.10% or Floor rate of 8.35%	\$15,000	15,119	15,044
BioQ Pharma Incorporated ⁽¹⁰⁾⁽¹³⁾	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$10,000	10,180	10,066
	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 7.00% or Floor rate of 10.50%	\$3,000	2,962	2,962
Total BioQ Pharma Incorporated					\$13,000	13,142	13,028
Celator Pharmaceuticals, Inc. ⁽¹⁰⁾⁽¹³⁾	Drug Delivery	Senior Secured	June 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$14,573	14,594	14,609
Celsion Corporation ⁽¹⁰⁾⁽¹³⁾	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$6,346	6,501	6,544
Dance Biopharm, Inc. ⁽¹³⁾⁽¹⁴⁾	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40% or Floor rate of 10.65%	\$2,705	2,776	2,757
Edge Therapeutics, Inc. ⁽¹⁰⁾⁽¹³⁾	Drug Delivery	Senior Secured	March 2018	Interest rate PRIME + 6.45% or Floor rate of 9.95%	\$5,466	5,431	5,455
Egalet Corporation ⁽¹¹⁾⁽¹³⁾	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.15% or Floor rate of 9.40%	\$15,000	14,967	15,036
		Senior Secured	October 2017	Interest rate PRIME + 5.75%	\$10,000	10,000	10,007

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Neos Therapeutics, Inc. (10)(13)(14)	Drug Delivery			or Floor rate of 9.00%			
	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 7.25%			
				or Floor rate of 10.50%	\$10,000	10,043	9,998
	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 5.75%			
				or Floor rate of 9.00%	\$5,000	4,977	4,957
Total Neos Therapeutics, Inc.					\$25,000	25,020	24,962
Pulmatrix Inc. (8)(10)(13)	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25%			
				or Floor rate of 9.50%	\$7,000	6,877	6,856
ZP Opco, Inc. (p.k.a. Zosano Pharma) (10)(13)	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 2.70%			
				or Floor rate of 7.95%	\$15,000	14,925	14,781
Subtotal: 1-5 Years Maturity						156,355	155,857
Subtotal: Drug Delivery (21.73%)*						156,355	155,857

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Development							
1-5 Years Maturity							
Aveo Pharmaceuticals, Inc. ⁽⁹⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 6.65% or Floor rate of 11.90%	\$10,000	\$10,076	\$9,944
Cerecor, Inc. ⁽¹³⁾	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 4.70% or Floor rate of 7.95%	\$5,688	5,705	5,740
Cerulean Pharma, Inc. ⁽¹¹⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 1.55% or Floor rate of 7.30%	\$21,000	21,132	21,109
CTI BioPharma Corp. p.k.a. Cell Therapeutics, Inc.) ⁽¹⁰⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	December 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$25,000	25,507	25,550
Epirus Biopharmaceuticals, Inc. ⁽¹¹⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%	\$15,000	14,852	14,924
Genocea Biosciences, Inc. ⁽¹⁰⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 3.75% or Floor rate of 7.25%	\$17,000	17,008	16,948
Immune Pharmaceuticals ⁽¹⁰⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 6.50% or Floor rate of 10.00%	\$4,500	4,374	4,374
Insmmed, Incorporated ⁽¹⁰⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 4.75% or Floor rate of 9.25%	\$25,000	25,128	24,991
Mast Therapeutics, Inc. ⁽¹³⁾⁽¹⁴⁾	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 5.70% or Floor rate of 8.95%	\$15,000	14,808	14,808
Melinta Therapeutics ⁽¹¹⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 3.75% or Floor rate of 8.25%	\$30,000	29,843	29,703
		Senior Secured	December 2022	Interest rate FIXED 11.50%	\$25,000	25,000	25,000

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Merrimack Pharmaceuticals, Inc. ⁽⁹⁾	Drug Discovery & Development							
Neothetics, Inc. (p.k.a. Lithera, Inc.) ⁽¹³⁾⁽¹⁴⁾	Drug Discovery & Development	Senior Secured	January 2018	Interest rate PRIME + 5.75%				
				or Floor rate of 9.00%	\$10,000	9,966	9,940	
Neuralstem, Inc. ⁽¹³⁾⁽¹⁴⁾	Drug Discovery & Development	Senior Secured	April 2017	Interest rate PRIME + 6.75%				
				or Floor rate of 10.00%	\$8,335	8,418	8,397	
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽¹³⁾⁽¹⁴⁾	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75%				
				or Floor rate of 8.50%				
					\$20,000	19,828	19,828	
uniQure B.V. ⁽⁴⁾⁽⁹⁾⁽¹⁰⁾⁽¹³⁾	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 5.00%				
				or Floor rate of 10.25%	\$20,000	19,956	19,929	
KOMA Corporation ⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 2.15%				
				or Floor rate of 9.40%	\$20,000	19,974	19,815	
Subtotal: 1-5 Years Maturity						271,575	271,000	
Subtotal: Drug Discovery & Development (37.79%)*							271,575	271,000

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Electronics & Computer Hardware							
1-5 Years Maturity							
Persimmon Technologies ⁽¹³⁾	Electronics & Computer Hardware	Senior Secured	June 2019	Interest rate PRIME + 7.50% or Floor rate of 11.00%	\$7,000	\$6,873	\$6,873
Subtotal: 1-5 Years Maturity						6,873	6,873
Subtotal: Electronics & Computer Hardware (0.96%)*						6,873	6,873
Sustainable and Renewable Technology							
Under 1 Year Maturity							
Agrivida, Inc. ⁽¹³⁾⁽¹⁴⁾	Sustainable and Renewable Technology	Senior Secured	December 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$4,362	4,587	4,587
American Superconductor Corporation ⁽¹⁰⁾⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	November 2016	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$3,667	4,106	4,106
Fluidic, Inc. ⁽¹⁰⁾⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	March 2016	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$784	931	931
Polyera Corporation ⁽¹³⁾⁽¹⁴⁾	Sustainable and Renewable Technology	Senior Secured	April 2016	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$637	890	890
Stion Corporation ⁽⁵⁾⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	March 2016	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$2,200	2,200	1,013

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Sungevity, Inc. ⁽¹¹⁾	Sustainable and Renewable Technology	Senior Secured	April 2016	Interest rate PRIME + 3.70% or Floor rate of 6.95%	\$20,000	20,000	20,000	
Subtotal: Under 1 Year Maturity						32,714	31,527	
1-5 Years Maturity								
American Superconductor Corporation ⁽¹⁰⁾⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	June 2017	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$1,500	1,496	1,484	
Amyris, Inc. ⁽⁹⁾⁽¹¹⁾⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	February 2017	Interest rate PRIME + 6.25% or Floor rate of 9.50%	\$17,543	17,543	17,499	
	Sustainable and Renewable Technology	Senior Secured	February 2017	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$3,497	3,497	3,488	
	Sustainable and Renewable Technology	Senior Secured	February 2017	Interest rate PRIME + 6.25% or Floor rate of 9.50%	\$10,960	11,045	11,045	
Total Amyris, Inc.						\$32,000	32,085	32,032
Modumetal, Inc. ⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	March 2017	Interest rate PRIME + 8.70% or Floor rate of 11.95%	\$1,759	2,062	2,032	
	Sustainable and Renewable Technology	Senior Secured	October 2017	Interest rate PRIME + 6.00% or Floor rate of 9.25%	\$7,061	7,101	7,080	
Total Modumetal, Inc.						\$8,820	9,163	9,112
Polyera Corporation ⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	January 2017	Interest rate PRIME + 6.70% or Floor rate of 9.95%	\$1,254	1,455	1,455	
Proterra, Inc. ⁽¹⁰⁾⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	December 2018	Interest rate PRIME + 6.95% or Floor rate of 10.20%	\$25,000	24,995	24,550	
Sungevity, Inc. ⁽¹¹⁾⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	October 2017	Interest rate PRIME + 3.70% or Floor rate of 6.95%	\$35,000	34,733	34,773	
Tendril Networks ⁽¹³⁾	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate FIXED 7.25%	\$15,000	14,735	14,477	
Subtotal: 1-5 Years Maturity						118,662	117,883	
						151,376	149,410	

Subtotal: Sustainable and
Renewable Technology
(20.83%)*

Healthcare Services, Other

1-5 Years Maturity

Chromadex Corporation ⁽¹³⁾⁽¹⁴⁾	Healthcare Services, Other	Senior Secured	April 2018	Interest rate PRIME + 6.10% or Floor rate of 9.35%	\$5,000	4,907	4,918
InstaMed Communications, LLC ⁽¹³⁾⁽¹⁴⁾	Healthcare Services, Other	Senior Secured	February 2019	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$10,000	10,048	10,049
Subtotal: 1-5 Years Maturity						14,955	14,967
Subtotal: Healthcare Services, Other (2.09%)*						14,955	14,967

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value
Information Services							
Under 1 Year Maturity							
Centex Corporation ⁽¹³⁾⁽¹⁶⁾	Information Services	Senior Secured	May 2015	Interest rate PRIME + 7.00%			
				or Floor rate of 10.25%	\$ 13	\$ 28	\$ 28
Pro, Inc. ⁽¹³⁾⁽¹⁴⁾	Information Services	Senior Secured	October 2016	Interest rate PRIME + 7.50%			
				or Floor rate of 10.75%	\$ 1,589	1,624	1,624
total: Under 1 Year Maturity						1,652	1,652
total: Information Services (0.23%)*						1,652	1,652
Internet Consumer & Business Services							
Under 1 Year Maturity							
NetPlenish ⁽⁷⁾⁽⁸⁾⁽¹⁴⁾	Internet Consumer & Business Services	Convertible Debt	September 2016	Interest rate FIXED 10.00%			
					\$ 381	373	—
	Internet Consumer & Business Services	Senior Secured	April 2016	Interest rate FIXED 10.00%			
					\$ 45	45	—
total NetPlenish					\$ 426	418	—
total: Under 1 Year Maturity						418	—
2-5 Years Maturity							
Pro Systems, ⁽¹⁰⁾⁽¹²⁾	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20%			
				or Floor rate of 8.95%,			
				PIK Interest 1.95%	\$ 18,101	17,850	17,600
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20%			
				or Floor rate of 6.95%,			
				PIK Interest 1.95%	\$ 2,021	1,995	1,970
total: 2-5 Years Maturity					\$ 20,122	19,845	19,600

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al Aria Systems,

Planet Ops Inc. (p.k.a. Reply!) (7)(12)	Internet Consumer & Business Services	Senior Secured	March 2019	Interest rate PRIME + 4.25% or Floor rate of 7.50%	\$6,321	5,811	5,811
	Internet Consumer & Business Services	Senior Secured	March 2019	PIK Interest 2.00%			
					\$2,129	2,129	55
One Planet Ops Inc. (p.k.a. Reply! Inc.)					\$8,450	7,940	5,86
chLocal (13)	Internet Consumer & Business Services	Senior Secured	April 2018	Interest rate PRIME + 8.50% or Floor rate of 11.75%	\$25,000	24,868	24,7
joy, Inc. (11)(13)	Internet Consumer & Business Services	Senior Secured	July 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$20,000	19,598	19,5
tura Corporation (7)(12)(15)	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$6,468	6,468	4,85
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 8.00% or Floor rate of 11.00%, PIK Interest 1.00%	\$8,170	8,170	6,12
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$563	563	422
	Internet Consumer & Business Services	Senior Secured	May 2014	Interest rate LIBOR + 10.00% or Floor rate of 13.00%	\$5,000	5,000	3,75
al Tectura Corporation					\$20,201	20,201	15,1
total: 1-5 Years Maturity						92,452	84,9
total: Internet Consumer & Business Services (11.85%)*						92,870	84,9
edia/Content/Info Under 1 Year Maturity							
m Media Group,	Media/Content/Info	Senior Secured	January 2016	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$5,060	5,060	5,06
total: Under 1 Year Maturity						5,060	5,06
Years Maturity							
chine Zone, (12)	Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 2.50% or Floor rate of 6.75%, PIK Interest 3.00%	\$90,729	88,730	88,1
total: 1-5 Years Maturity						88,730	88,1
total: Media/Content/Info (12.99%)*						93,790	93,1

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Medical Devices & Equipment							
Under 1 Year Maturity							
Medrobotics Corporation ⁽¹³⁾⁽¹⁴⁾	Medical Devices & Equipment	Senior Secured	March 2016	Interest rate PRIME + 7.85%	\$576	\$735	\$735
SonaCare Medical, LLC (p.k.a. US HIFU, LLC) ⁽¹³⁾	Medical Devices & Equipment	Senior Secured	April 2016	Interest rate PRIME + 7.75%	\$292	700	700
Subtotal: Under 1 Year Maturity						1,435	1,435
1-5 Years Maturity							
Amedica Corporation ⁽⁸⁾⁽¹³⁾⁽¹⁴⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 9.20%	\$17,051	17,642	17,350
Aspire Bariatrics, Inc. ⁽¹³⁾⁽¹⁴⁾	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 4.00%	\$7,000	6,771	6,739
Avedro, Inc. ⁽¹³⁾⁽¹⁴⁾	Medical Devices & Equipment	Senior Secured	June 2018	Interest rate PRIME + 6.00%	\$12,500	12,391	12,201
Flowonix Medical Incorporated ⁽¹¹⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	May 2018	Interest rate PRIME + 6.50%	\$15,000	15,071	14,974
Gamma Medica, Inc. ⁽¹⁰⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50%	\$4,000	4,009	3,989
InspireMD, Inc. ⁽⁴⁾⁽⁹⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	February 2017	Interest rate PRIME + 5.00%	\$5,009	5,380	3,764
Quanterix Corporation ⁽¹⁰⁾⁽¹³⁾	Medical Devices & Equipment	Senior Secured	February 2018	Interest rate PRIME + 2.75%	\$9,661	9,718	9,659
SynergEyes, Inc. ⁽¹³⁾⁽¹⁴⁾	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75%	\$4,263	4,516	4,464

Subtotal: 1-5 Years Maturity				75,498	73,140
Subtotal: Medical Devices & Equipment (10.40%)*				76,933	74,575
Semiconductors					
Under 1 Year Maturity					
Achronix Semiconductor Corporation ⁽¹⁴⁾	Semiconductors	Senior Secured	July 2016	Interest rate PRIME + 4.75%	
				or Floor rate of 8.00%	\$5,000
					5,000
					5,000
Subtotal: Under 1 Year Maturity				5,000	5,000
1-5 Years Maturity					
Achronix Semiconductor Corporation ⁽¹³⁾⁽¹⁴⁾	Semiconductors	Senior Secured	July 2018	Interest rate PRIME + 8.25%	
				or Floor rate of 11.50%	\$5,000
					5,027
					4,999
Aquantia Corp.	Semiconductors	Senior Secured	February 2017	Interest rate PRIME + 2.95%	
				or Floor rate of 6.20%	\$5,001
					5,001
					5,001
Avnera Corporation ⁽¹⁰⁾⁽¹³⁾	Semiconductors	Senior Secured	April 2018	Interest rate PRIME + 5.25%	
				or Floor rate of 8.50%	\$7,500
					7,498
					7,568
Subtotal: 1-5 Years Maturity				17,526	17,568
Subtotal: Semiconductors (3.15%)*				22,526	22,568

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

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(unaudited)

(dollars in thousands)

Portfolio Company	Type of Sub-Industry	Investment (1)	Maturity Date	Interest Rate and Floor	Principal Amount	Cost (2)	Value (3)
Software							
Under 1 Year Maturity							
Clickfox, Inc. (13)(14)(16)	Software	Senior Secured	December 2015	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$3,300	\$3,465	\$3,465
JumpStart Games, Inc. (p.k.a. Knowledge Adventure, Inc.) (12)(13)(14)	Software	Senior Secured	October 2016	Interest rate FIXED 5.75%, PIK Interest 10.75%	\$1,335	1,350	875
Neos, Inc. (13)(14)	Software	Senior Secured	May 2016	Interest rate PRIME + 6.75% or Floor rate of 10.50%	\$729	895	895
Touchcommerce, Inc. (14)	Software	Senior Secured	August 2016	Interest rate PRIME + 2.25% or Floor rate of 6.50%	\$5,511	5,511	5,511
Subtotal: Under 1 Year Maturity						11,221	10,746
1-5 Years Maturity							
Actifio, Inc. (12)	Software	Senior Secured	January 2019	Interest rate PRIME + 4.25% or Floor rate of 8.25%, PIK Interest 2.25%	\$30,263	30,019	29,712
Clickfox, Inc. (13)(14)	Software	Senior Secured	March 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$5,475	5,490	5,490
Druva, Inc. (10)(13)	Software	Senior Secured	March 2018	Interest rate PRIME + 4.60% or Floor rate of 7.85%	\$12,000	12,080	12,034
JumpStart Games, Inc.	Software	Senior Secured	March 2018	Interest rate FIXED 5.75%,	\$11,082	11,174	7,245

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(p.k.a.
Knowledge
Adventure,
Inc.) (12)(13)(14)

PIK Interest 10.75%

Message Systems, Inc. (14)	Software	Senior Secured	February 2019	Interest rate PRIME + 7.25%			
				or Floor rate of 10.50%	\$17,500	17,103	17,013
	Software	Senior Secured	February 2017	Interest rate PRIME + 2.75%			
				or Floor rate of 6.00%	\$1,618	1,618	1,616
Total Message Systems, Inc.					\$19,118	18,721	18,629
RedSeal Inc. (13)(14)	Software	Senior Secured	June 2017	Interest rate PRIME + 3.25%			
				or Floor rate of 6.50%	\$3,000	3,000	2,987
	Software	Senior Secured	June 2018	Interest rate PRIME + 7.75%			
				or Floor rate of 11.00%	\$5,000	5,006	4,979
Total RedSeal Inc.					\$8,000	8,006	7,966
Soasta, Inc. (13)(14)	Software	Senior Secured	February 2018	Interest rate PRIME + 2.25%			
				or Floor rate of 5.50%	\$3,500	3,432	3,419
	Software	Senior Secured	February 2018	Interest rate PRIME + 4.75%			
				or Floor rate of 8.00%	\$15,000	14,699	14,646
Total Soasta, Inc.					\$18,500	18,131	18,065
Touchcommerce, Inc. (13)(14)	Software	Senior Secured	February 2018	Interest rate PRIME + 6.00%			
				or Floor rate of 10.25%	\$12,000	11,853	11,721
Subtotal: 1-5 Years Maturity						115,474	110,862
Subtotal: Software (16.96%)*						126,695	121,608

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Specialty Pharmaceuticals							
Under 1 Year Maturity							
Cranford Pharmaceuticals, LLC ⁽¹⁰⁾⁽¹²⁾	Specialty Pharmaceuticals	Senior Secured	August 2016	Interest rate LIBOR + 8.25% or Floor rate of 9.50%	\$1,100	\$1,100	\$1,100
Subtotal: Under 1 Year Maturity						1,100	1,100
1-5 Years Maturity							
Alimera Sciences, Inc. ⁽¹⁰⁾⁽¹³⁾	Specialty Pharmaceuticals	Senior Secured	May 2018	Interest rate PRIME + 7.65% or Floor rate of 10.90%	\$35,000	34,296	34,309
Cranford Pharmaceuticals, LLC ⁽¹⁰⁾⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	Specialty Pharmaceuticals	Senior Secured	August 2017	Interest rate LIBOR + 9.55% or Floor rate of 10.80%, PIK Interest 1.35%	\$10,041	10,164	10,235
Jaguar Animal Health, Inc. ⁽¹⁰⁾⁽¹³⁾	Specialty Pharmaceuticals	Senior Secured	August 2018	Interest rate PRIME + 5.65% or Floor rate of 9.90%	\$6,000	6,009	6,009
Subtotal: 1-5 Years Maturity						50,469	50,553
Subtotal: Specialty Pharmaceuticals (7.20%)*						51,569	51,653
Surgical Devices							
1-5 Years Maturity							
Transmedics, Inc. ⁽¹³⁾	Surgical Devices	Senior Secured	March 2019	Interest rate PRIME + 5.30% or Floor rate of 9.55%	\$8,500	8,471	8,396
Subtotal: 1-5 Years Maturity						8,471	8,396
Subtotal: Surgical Devices (1.17%)*						8,471	8,396
Total Debt Investments (154.81%)*						1,152,303	1,110,209

See notes to consolidated financial statements.

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HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Equity Investments						
Biotechnology Tools						
NuGEN Technologies, Inc. ⁽¹⁴⁾	Biotechnology Tools	Equity	Preferred Series C	189,394	\$ 500	\$ 532
Subtotal: Biotechnology Tools (0.07%)*					500	532
Communications & Networking						
GlowPoint, Inc. ⁽³⁾	Communications & Networking	Equity	Common Stock	114,192	102	57
Peerless Network, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	4,380
Subtotal: Communications & Networking (0.62%)*					1,102	4,437
Consumer & Business Products						
Market Force Information, Inc.	Consumer & Business Products	Equity	Common Stock	480,261	—	217
	Consumer & Business Products	Equity	Preferred Series B-1	187,970	500	3
Total Market Force Information, Inc.				668,231	500	220
Subtotal: Consumer & Business Products (0.03%)*					500	220
Diagnostic						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	304
Subtotal: Diagnostic (0.04%)*					750	304
Drug Delivery						
AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾	Drug Delivery	Equity	Common Stock	54,240	108	209

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BioQ Pharma Incorporated ⁽¹⁴⁾	Drug Delivery	Equity	Preferred Series D	165,000	500	660
Edge Therapeutics, Inc. ⁽³⁾	Drug Delivery	Equity	Common Stock	157,190	1,000	1,965
Merrion Pharmaceuticals, Plc ⁽³⁾⁽⁴⁾⁽⁹⁾	Drug Delivery	Equity	Common Stock	20,000	9	—
Neos Therapeutics, Inc. ⁽³⁾⁽¹⁴⁾	Drug Delivery	Equity	Common Stock	125,000	1,500	1,790
Revance Therapeutics, Inc. ⁽³⁾	Drug Delivery	Equity	Common Stock	22,765	557	778
Subtotal: Drug Delivery (0.75%)*					3,674	5,402
Drug Discovery & Development						
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹⁴⁾	Drug Discovery & Development	Equity	Common Stock	167,864	842	212
Cerecor, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	119,087	1,000	399
Cerulean Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	135,501	1,000	379
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	1,695
Dynavax Technologies ⁽³⁾⁽⁹⁾	Drug Discovery & Development	Equity	Common Stock	20,000	550	483
Epirus Biopharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	618
Genocea Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	1,178
Inotek Pharmaceuticals Corporation ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	43
Insmed, Incorporated ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	1,284
Melinta Therapeutics	Drug Discovery & Development	Equity	Preferred Series 4	1,914,448	2,000	2,026
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽³⁾	Drug Discovery & Development	Equity	Common Stock	76,362	2,743	1,450
Subtotal: Drug Discovery & Development (1.36%)*					14,635	9,767
Electronics & Computer Hardware						
Identiv, Inc. ⁽³⁾	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	13
Subtotal: Electronics & Computer Hardware (0.00%)*					34	13
Sustainable and Renewable Technology						
Glori Energy, Inc. ⁽³⁾	Sustainable and Renewable	Equity	Common Stock	18,208	165	6

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Modumetal, Inc.	Technology Sustainable and Renewable Technology	Equity	Preferred Series C	3,107,520	500	455
SCIEnergy, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series 1	385,000	761	—
Sungevity, Inc. ⁽¹⁴⁾	Sustainable and Renewable Technology	Equity	Preferred Series D	68,807,339	6,750	6,912
Subtotal: Sustainable and Renewable Technology (1.03%)*					8,176	7,373
See notes to consolidated financial statements.						

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Internet Consumer & Business Services						
Blurb, Inc. ⁽¹⁴⁾	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	\$175	\$244
Lightspeed POS, Inc. ⁽⁴⁾⁽⁹⁾	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	264
	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	249
Total Lightspeed POS, Inc.				428,707	500	513
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	349
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	248
Total Oportun (p.k.a. Progress Financial)				306,153	500	597
Philotic, Inc.	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	—
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	28
Taptera, Inc.	Internet Consumer & Business Services	Equity	Preferred Series B	454,545	150	99
Subtotal: Internet Consumer & Business Services (0.21%)*					1,433	1,481
Medical Devices & Equipment						
AtriCure, Inc. ⁽³⁾⁽¹⁴⁾	Medical Devices & Equipment	Equity	Common Stock	7,536	266	155
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series E	221,893	1,500	1,953
Gelesis, Inc. ⁽¹⁴⁾	Medical Devices & Equipment	Equity	Common Stock	198,202	—	1,005
	Medical Devices & Equipment	Equity	Preferred Series A-1	191,210	425	1,051

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	Medical Devices & Equipment	Equity	Preferred Series A-2	191,626	500	1,012
Total Gelesis, Inc.				581,038	925	3,068
Medrobotics Corporation ⁽¹⁴⁾	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	208
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	189
	Medical Devices & Equipment	Equity	Preferred Series G	163,934	500	500
Total Medrobotics Corporation				374,703	905	897
Novasys Medical, Inc.	Medical Devices & Equipment	Equity	Preferred Series D-1	4,118,444	1,000	—
Optiscan Biomedical, Corp. ⁽⁵⁾⁽¹⁴⁾	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	565
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	169
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	5,927
Total Optiscan Biomedical, Corp.				63,216,799	8,912	6,661
Oraya Therapeutics, Inc.	Medical Devices & Equipment	Equity	Preferred Series 1	1,086,969	500	266
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	543
Subtotal: Medical Devices & Equipment (1.89%)*					14,535	13,543
Software						
Box, Inc. ⁽³⁾⁽¹⁴⁾	Software	Equity	Common Stock	1,287,347	5,653	17,957
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	79
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	1,031
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	1,368
	Software	Equity	Preferred Series E	80,587	131	350
Total ForeScout Technologies, Inc.				399,686	529	1,718
HighRoads, Inc.	Software	Equity	Preferred Series B	190,170	307	—
NewVoiceMedia Limited ⁽⁴⁾⁽⁹⁾	Software	Equity	Preferred Series E	669,173	963	1,016
WildTangent, Inc. ⁽¹⁴⁾	Software	Equity	Preferred Series 3	100,000	402	190
Subtotal: Software (3.07%)*					8,905	21,991
Specialty Pharmaceuticals						

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QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Equity	Preferred Series E	241,829	750	—
	Specialty Pharmaceuticals	Equity	Preferred Series E-1	26,955	—	—
	Specialty Pharmaceuticals	Equity	Preferred Series G	4,667,636	—	—
Total QuatRx Pharmaceuticals Company				4,936,420	750	—
Subtotal: Specialty Pharmaceuticals (0.00%)*					750	—
Surgical Devices						
Gynesonics, Inc. ⁽¹⁴⁾	Surgical Devices	Equity	Preferred Series B	219,298	250	32
	Surgical Devices	Equity	Preferred Series C	656,538	282	46
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	637
	Surgical Devices	Equity	Preferred Series E	2,785,402	429	422
Total Gynesonics, Inc.				5,652,395	1,673	1,137
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	154
	Surgical Devices	Equity	Preferred Series C	119,999	300	96
	Surgical Devices	Equity	Preferred Series D	260,000	650	521
	Surgical Devices	Equity	Preferred Series F	100,200	500	471
Total Transmedics, Inc.				569,160	2,550	1,242
Subtotal: Surgical Devices (0.33%)*					4,223	2,379
Total: Equity Investments (9.40%)*					59,217	67,442

See notes to consolidated financial statements.

HERCULES CAPITAL, INC.

CONSOLIDATED SCHEDULE OF INVESTMENTS

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(unaudited)

(dollars in thousands)

Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Warrant Investments						
Biotechnology Tools						
Labcyte, Inc. ⁽¹⁴⁾	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	\$ 323	\$ 187
Subtotal: Biotechnology Tools (0.03%)*					323	187
Communications & Networking						
Intelepeer, Inc. ⁽¹⁴⁾	Communications & Networking	Warrant	Common Stock	117,958	102	—
OpenPeak, Inc.	Communications & Networking	Warrant	Common Stock	108,982	149	—
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	62
Peerless Network, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	375
Ping Identity Corporation	Communications & Networking	Warrant	Preferred Series B	1,136,277	52	236
SkyCross, Inc. ⁽¹⁴⁾	Communications & Networking	Warrant	Preferred Series F	9,762,777	394	—
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Preferred Series D	2,834,375	418	53
Subtotal: Communications & Networking (0.10%)*					1,271	726
Consumer & Business Products						
Antenna79 (p.k.a. Pong Research Corporation) ⁽¹⁴⁾	Consumer & Business Products	Warrant	Preferred Series A	1,662,441	228	2
Intelligent Beauty, Inc. ⁽¹⁴⁾	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	214
IronPlanet, Inc.	Consumer & Business Products	Warrant	Preferred Series D	1,155,821	1,076	651
Market Force Information, Inc.	Consumer & Business Products	Warrant	Preferred Series A-1	150,212	24	10

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Nasty Gal ⁽¹⁴⁾	Consumer & Business Products	Warrant	Preferred Series C	845,194	23	20
The Neat Company ⁽¹⁴⁾	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	—
Subtotal: Consumer & Business Products (0.13%)*					1,946	897

Diagnostic

Navidea Biopharmaceuticals, Inc. (p.k.a. Neoprobe) ⁽³⁾⁽¹⁴⁾	Diagnostic	Warrant	Common Stock	333,333	244	17
Subtotal: Diagnostic (0.00%)*					244	17

Drug Delivery

AcelRx Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾⁽¹⁴⁾	Drug Delivery	Warrant	Common Stock	176,730	786	238
Agile Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	180,274	730	680
BIND Therapeutics, Inc. ⁽³⁾⁽¹⁴⁾	Drug Delivery	Warrant	Common Stock	152,586	488	6
BioQ Pharma Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	423
Celator Pharmaceuticals, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	210,675	138	59
Celsion Corporation ⁽³⁾	Drug Delivery	Warrant	Common Stock	194,986	428	20
Dance Biopharm, Inc. ⁽¹⁴⁾	Drug Delivery	Warrant	Common Stock	43,813	74	55
Edge Therapeutics, Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	78,595	390	417
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,217
Neos Therapeutics, Inc. ⁽³⁾⁽¹⁴⁾	Drug Delivery	Warrant	Common Stock	70,833	285	275
Pulmatrix Inc. ⁽³⁾	Drug Delivery	Warrant	Common Stock	25,150	116	12
ZP Opco, Inc. (p.k.a. Zosano Pharma) ⁽³⁾	Drug Delivery	Warrant	Common Stock	72,379	266	4
Subtotal: Drug Delivery (0.47%)*					4,296	3,406

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Portfolio Company	Sub-Industry	Type of Investment ⁽¹⁾	Series	Shares	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Development						
ADMA Biologics, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	89,750	\$ 295	\$ 98
Anthera Pharmaceuticals, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	40,178	984	—
Aveo Pharmaceuticals, Inc. ⁽³⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Common Stock	608,696	194	216
Cerecor, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	22,328	70	10
Cerulean Pharma, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	171,901	369	90
Chroma Therapeutics, Ltd. ⁽⁴⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	—
Cleveland BioLabs, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	7,813	105	5
Concert Pharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	70,796	367	368
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	292,398	165	59
Dicerna Pharmaceuticals, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	200	28	—
Epirus Biopharmaceuticals, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	64,194	276	55
Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.) ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	73,009	142	11
Genocea Biosciences, Inc. ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	73,725	266	92
Immune Pharmaceuticals ⁽³⁾	Drug Discovery & Development	Warrant	Common Stock	214,853	164	40
Mast Therapeutics, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	1,524,389	203	215
Melinta Therapeutics	Drug Discovery & Development	Warrant	Preferred Series 3	1,382,323	626	130
Nanotherapeutics, Inc. ⁽¹⁴⁾		Warrant		171,389	838	1,762

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	Drug Discovery & Development		Common Stock			
Neothetics, Inc. (p.k.a. Lithera, Inc.) ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	46,838	266	2
Neuralstem, Inc. ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	75,187	77	12
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) ⁽³⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	21,467	129	36
uniQure B.V. ⁽³⁾⁽⁴⁾⁽⁹⁾	Drug Discovery & Development	Warrant	Common Stock	37,174	218	183
XOMA Corporation ⁽³⁾⁽⁹⁾⁽¹⁴⁾	Drug Discovery & Development	Warrant	Common Stock	181,268	279	115
Subtotal: Drug Discovery & Development (0.49%)*					6,551	3,499
Electronics & Computer Hardware						
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	—
Persimmon Technologies	Electronics & Computer Hardware	Warrant	Preferred Series C	43,076	40	42
Subtotal: Electronics & Computer Hardware (0.01%)*					52	42
Sustainable and Renewable Technology						
Agrivida, Inc. ⁽¹⁴⁾	Sustainable and Renewable Technology	Warrant	Preferred Series D	471,327	120	38
Alphabet Energy, Inc. ⁽¹⁴⁾	Sustainable and Renewable Technology	Warrant				