

**Section 1: 10-Q (10-Q)**

**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 September 30, 2017

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  
(Address of Principal Executive Offices)

743113410  
(IRS Employer  
Identification No.)

94301  
(Zip Code)

(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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

On October 30, 2017, there were 84,162,661 shares outstanding of the Registrant's common stock, \$0.001 par value.

**HERCULES CAPITAL, INC.**  
**FORM 10-Q TABLE OF CONTENTS**

<b><u>PART I. FINANCIAL INFORMATION</u></b>		3
Item 1.	<u>Consolidated Financial Statements</u>	3
	<u>Consolidated Statement of Assets and Liabilities as of September 30, 2017 and December 31, 2016 (unaudited)</u>	3
	<u>Consolidated Statement of Operations for the three and nine months ended September 30, 2017 and 2016 (unaudited)</u>	5
	<u>Consolidated Statement of Changes in Net Assets for the nine months ended September 30, 2017 and 2016 (unaudited)</u>	6
	<u>Consolidated Statement of Cash Flows for the nine months ended September 30, 2017 and 2016 (unaudited)</u>	7
	<u>Consolidated Schedule of Investments as of September 30, 2017 (unaudited)</u>	8
	<u>Consolidated Schedule of Investments as of December 31, 2016 (unaudited)</u>	20
	<u>Notes to Consolidated Financial Statements (unaudited)</u>	34
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	69
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	100
Item 4.	<u>Controls and Procedures</u>	101
<b><u>PART II. OTHER INFORMATION</u></b>		102
Item 1.	<u>Legal Proceedings</u>	102
Item 1A.	<u>Risk Factors</u>	102
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	141
Item 3.	<u>Defaults Upon Senior Securities</u>	141
Item 4.	<u>Mine Safety Disclosures</u>	141
Item 5.	<u>Other Information</u>	141
Item 6.	<u>Exhibits and Financial Statement Schedules</u>	142
<b><u>SIGNATURES</u></b>		145

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)

	September 30, 2017	December 31, 2016
<b>Assets</b>		
Investments:		
Non-control/Non-affiliate investments (cost of \$1,374,173 and \$1,475,918 respectively)	\$ 1,360,146	\$ 1,414,210
Control investments (cost of \$25,788 and \$22,598, respectively)	23,382	4,700
Affiliate investments (cost of \$89,050 and \$13,010, respectively)	33,586	5,032
Total investments in securities, at value (cost of \$1,489,011 and \$1,511,526 respectively)	1,417,114	1,423,942
Cash and cash equivalents	140,568	13,044
Restricted cash	7,813	8,322
Interest receivable	10,507	11,614
Other assets	6,995	7,282
<b>Total assets</b>	<b>\$ 1,582,997</b>	<b>\$ 1,464,204</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 19,057	\$ 21,463
Credit Facilities	—	5,016
2021 Asset-Backed Notes, net (principal of \$65,476 and \$109,205, respectively) <sup>(1)</sup>	64,860	107,972
Convertible Notes, net (principal of \$230,000 and \$0, respectively) <sup>(1)</sup>	223,097	—
2019 Notes, net (principal of \$0 and \$110,364, respectively) <sup>(1)</sup>	—	108,818
2024 Notes, net (principal of \$258,510 and \$252,873, respectively) <sup>(1)</sup>	251,716	245,490
SBA Debentures, net (principal of \$190,200 and \$190,200, respectively) <sup>(1)</sup>	187,983	187,501
<b>Total liabilities</b>	<b>\$ 746,713</b>	<b>\$ 676,260</b>
<b>Net assets consist of:</b>		
Common stock, par value	84	80
Capital in excess of par value	904,357	839,657
Unrealized depreciation on investments <sup>(2)</sup>	(73,388)	(89,025)
Accumulated undistributed realized gains on investments	10,674	37,603
Distributions in excess of net investment income	(5,443)	(371)
<b>Total net assets</b>	<b>\$ 836,284</b>	<b>\$ 787,944</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,582,997</b>	<b>\$ 1,464,204</b>
Shares of common stock outstanding (\$0.001 par value, 200,000,000 authorized)	83,615	79,555
<b>Net asset value per share</b>	<b>\$ 10.00</b>	<b>\$ 9.90</b>

(1) The Company’s 2021 Asset-Backed Notes, Convertible Notes, 2019 Notes, 2024 Notes and SBA Debentures, as each term is defined herein, are presented net of the associated debt issuance costs for each instrument. See “Note 4 – Borrowings”.

(2) Amounts include \$1.5 million and \$1.4 million in net unrealized depreciation on other assets and accrued liabilities, including escrow receivables, estimated taxes payable and warrant participation agreement liabilities as of September 30, 2017 and December 31, 2016, respectively.

See notes to consolidated financial statements.

The following table presents the assets and liabilities of our consolidated securitization trust for the 2021 Asset-Backed Notes (see Note 4), which is a variable interest entity (“VIE”). The assets of our securitization VIE can only be used to settle obligations of our consolidated securitization VIE, these liabilities are only the obligations of our consolidated securitization VIE, and the creditors (or beneficial interest holders) do not have recourse to our general credit. These assets and liabilities are included in the Consolidated Statement of Assets and Liabilities above.

(Dollars in thousands)	September 30, 2017	December 31, 2016
<b>Assets</b>		
Restricted Cash	\$ 7,813	\$ 8,322
Total investments in securities, at value (cost of \$168,662 and \$244,695, respectively)	166,861	242,349
<b>Total assets</b>	<b>\$ 174,674</b>	<b>\$ 250,671</b>
<b>Liabilities</b>		
2021 Asset-Backed Notes, net (principal of \$65,476 and \$109,205, respectively) <sup>(1)</sup>	\$ 64,860	\$ 107,972
<b>Total liabilities</b>	<b>\$ 64,860</b>	<b>\$ 107,972</b>

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

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
(unaudited)  
(in thousands, except per share data)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Investment income:</b>				
Interest and PIK interest income				
Interest income:				
Non-control/Non-affiliate investments	\$ 39,361	\$ 37,783	\$ 117,388	\$ 110,219
Control investments	321	7	994	7
Affiliate investments	246	30	248	145
Total interest income	39,928	37,820	118,630	110,371
PIK interest income:				
Non-control/Non-affiliate investments	2,364	2,124	6,661	5,668
Control investments	143	8	511	8
Total PIK interest income	2,507	2,132	7,172	5,676
Total interest and PIK interest income	42,435	39,952	125,802	116,047
Fee income				
Commitment, facility and loan fee income:				
Non-control/Non-affiliate investments	2,239	3,274	7,613	8,700
Control investments	1	1	11	1
Affiliate investments	2	—	2	—
Total commitment, facility and loan fee income	2,242	3,275	7,626	8,701
One-time fee income:				
Non-control/Non-affiliate investments	1,188	1,875	7,254	2,831
Total one-time fee income	1,188	1,875	7,254	2,831
Total fee income	3,430	5,150	14,880	11,532
<b>Total investment income</b>	<b>45,865</b>	<b>45,102</b>	<b>140,682</b>	<b>127,579</b>
<b>Operating expenses:</b>				
Interest	9,185	8,717	28,046	23,306
Loan fees	1,314	1,432	5,500	3,698
General and administrative	3,548	4,114	12,362	12,095
Employee compensation:				
Compensation and benefits	6,014	5,621	17,276	15,637
Stock-based compensation	1,831	1,442	5,573	5,616
Total employee compensation	7,845	7,063	22,849	21,253
<b>Total operating expenses</b>	<b>21,892</b>	<b>21,326</b>	<b>68,757</b>	<b>60,352</b>
<b>Net investment income</b>	<b>23,973</b>	<b>23,776</b>	<b>71,925</b>	<b>67,227</b>
<b>Net realized gain (loss) on investments</b>				
Non-control/Non-affiliate investments	(8,911)	7,870	(10,940)	3,427
Control investments	(15,543)	—	(15,989)	—
Total net realized gain (loss) on investments	(24,454)	7,870	(26,929)	3,427
<b>Net change in unrealized appreciation (depreciation) on investments</b>				
Non-control/Non-affiliate investments	11,320	(1,387)	45,420	(11,005)
Control investments	17,624	—	17,703	(3,421)
Affiliate investments	4,609	553	(47,486)	(1,646)
Total net unrealized appreciation (depreciation) on investments	33,553	(834)	15,637	(16,072)
<b>Total net realized and unrealized gain (loss)</b>	<b>9,099</b>	<b>7,036</b>	<b>(11,292)</b>	<b>(12,645)</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$ 33,072</b>	<b>\$ 30,812</b>	<b>\$ 60,633</b>	<b>\$ 54,582</b>
Net investment income before investment gains and losses per common share:				
Basic	\$ 0.29	\$ 0.32	\$ 0.87	\$ 0.91
Change in net assets resulting from operations per common share:				
Basic	\$ 0.40	\$ 0.41	\$ 0.73	\$ 0.74
Diluted	\$ 0.40	\$ 0.41	\$ 0.73	\$ 0.74
Weighted average shares outstanding				
Basic	82,496	74,122	82,073	72,685
Diluted	82,607	74,157	82,173	72,702
Distributions declared per common share:				
Basic	\$ 0.31	\$ 0.31	\$ 0.93	\$ 0.93

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
(unaudited)  
(dollars and shares in thousands)

	Common Stock		Capital in excess of par value	Unrealized Appreciation (Depreciation) on Investments	Accumulated Undistributed Realized Gains (Losses) on Investments	Undistributed Net Investment Income/ (Distributions in Excess of Investment Income)	Net Assets
	Shares	Par Value					
<b>Balance at December 31, 2015</b>	<u>72,118</u>	<u>\$ 73</u>	<u>\$ 751,902</u>	<u>\$ (52,808)</u>	<u>\$ 27,993</u>	<u>\$ (10,026)</u>	<u>\$ 717,134</u>
Net increase (decrease) in net assets resulting from operations	—	—	—	(16,072)	3,427	67,227	54,582
Public offering, net of offering expenses	4,273	4	50,173	—	—	—	50,177
Acquisition of common stock under repurchase plan	(450)	(1)	(4,789)	—	—	—	(4,790)
Issuance of common stock due to stock option exercises	42	—	426	—	—	—	426
Retired shares from net issuance	(6)	—	—	—	—	—	—
Issuance of common stock under restricted stock plan	552	1	(1)	—	—	—	—
Retired shares for restricted stock vesting	(240)	—	(2,560)	—	—	—	(2,560)
Distributions reinvested in common stock	111	—	1,343	—	—	—	1,343
Distributions	—	—	—	—	—	(68,408)	(68,408)
Stock-based compensation <sup>(1)</sup>	—	—	5,685	—	—	—	5,685
<b>Balance at September 30, 2016</b>	<u>76,400</u>	<u>\$ 77</u>	<u>\$ 802,179</u>	<u>\$ (68,880)</u>	<u>\$ 31,420</u>	<u>\$ (11,207)</u>	<u>\$ 753,589</u>
<b>Balance at December 31, 2016</b>	<u>79,555</u>	<u>\$ 80</u>	<u>\$ 839,657</u>	<u>\$ (89,025)</u>	<u>\$ 37,603</u>	<u>\$ (371)</u>	<u>\$ 787,944</u>
Net increase (decrease) in net assets resulting from operations	—	—	—	15,637	(26,929)	71,925	60,633
Public offering, net of offering expenses	4,077	4	56,330	—	—	—	56,334
Issuance of common stock due to stock option exercises	46	—	213	—	—	—	213
Retired shares from net issuance	(18)	—	(172)	—	—	—	(172)
Issuance of common stock under restricted stock plan	10	—	—	—	—	—	—
Retired shares for restricted stock vesting	(187)	—	(2,483)	—	—	—	(2,483)
Distributions reinvested in common stock	132	—	1,780	—	—	—	1,780
Issuance of Convertible Notes	—	—	3,413	—	—	—	3,413
Distributions	—	—	—	—	—	(76,997)	(76,997)
Stock-based compensation <sup>(1)</sup>	—	—	5,619	—	—	—	5,619
<b>Balance at September 30, 2017</b>	<u>83,615</u>	<u>\$ 84</u>	<u>\$ 904,357</u>	<u>\$ (73,388)</u>	<u>\$ 10,674</u>	<u>\$ (5,443)</u>	<u>\$ 836,284</u>

(1) Stock-based compensation includes \$46 and \$69 of restricted stock and option expense related to director compensation for the nine months ended September 30, 2017 and 2016, respectively.

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(unaudited)  
(dollars in thousands)

	<b>For the Nine Months Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Net increase (decrease) in net assets resulting from operations	\$ 60,633	\$ 54,582
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(487,321)	(461,772)
Principal and fee payments received on investments	486,985	340,584
Proceeds from the sale of investments	21,945	16,701
Net unrealized appreciation (depreciation) on investments	(15,637)	16,072
Net realized loss (gain) on investments	26,929	(3,427)
Accretion of paid-in-kind principal	(7,078)	(5,317)
Accretion of loan discounts	(5,242)	(5,524)
Accretion of loan discount on Convertible Notes	448	82
Accretion of loan exit fees	(14,413)	(16,679)
Change in deferred loan origination revenue	1,083	(253)
Unearned fees related to unfunded commitments	441	(308)
Amortization of debt fees and issuance costs	4,534	2,987
Depreciation	153	152
Stock-based compensation and amortization of restricted stock grants <sup>(1)</sup>	5,619	5,685
Change in operating assets and liabilities:		
Interest and fees receivable	1,107	(1,622)
Prepaid expenses and other assets	(1,100)	228
Accounts payable	—	56
Accrued liabilities	(2,457)	(729)
Net cash provided by (used in) operating activities	<u>76,629</u>	<u>(58,502)</u>
<b>Cash flows from investing activities:</b>		
Purchases of capital equipment	(127)	(227)
Reduction of restricted cash	509	211
Net cash provided by (used in) investing activities	<u>382</u>	<u>(16)</u>
<b>Cash flows from financing activities:</b>		
Issuance of common stock, net	56,334	50,177
Repurchase of common stock, net	—	(4,790)
Retirement of employee shares	(2,442)	(2,134)
Distributions paid	(75,217)	(67,065)
Issuance of Convertible Notes	230,000	—
Issuance of 2024 Notes Payable	5,637	141,945
Repayments of 2019 Notes Payable	(110,364)	—
Repayments of 2021 Asset-Backed Notes	(43,729)	(12,296)
Borrowings of credit facilities	8,497	193,276
Repayments of credit facilities	(13,513)	(243,276)
Cash paid for debt issuance costs	(4,662)	(4,858)
Cash paid for redemption of convertible notes	—	(17,604)
Fees paid for credit facilities and debentures	(28)	(1,041)
Net cash provided by financing activities	<u>50,513</u>	<u>32,334</u>
Net increase (decrease) in cash and cash equivalents	<u>127,524</u>	<u>(26,184)</u>
Cash and cash equivalents at beginning of period	<u>13,044</u>	<u>95,196</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 140,568</u></u>	<u><u>\$ 69,012</u></u>
<b>Supplemental non-cash investing and financing activities:</b>		
Distributions reinvested	1,780	1,343

(1) Stock-based compensation includes \$46 and \$69 of restricted stock and option expense related to director compensation for the nine months ended September 30, 2017 and 2016, respectively.

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor <sup>(2)</sup>	Principal Amount	Cost <sup>(3)</sup>	Value <sup>(4)</sup>	
<b>Debt Investments</b>								
<b>Biotechnology Tools</b>								
<b>1-5 Years Maturity</b>								
Exicure, Inc. <sup>(12)</sup>	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45% or Floor rate of 9.95%, 3.85% Exit Fee	\$ 5,405	\$ 5,488	\$ 5,545	
<b>Subtotal: 1-5 Years Maturity</b>						<u>5,488</u>	<u>5,545</u>	
<b>Subtotal: Biotechnology Tools (0.66%)*</b>						<u>5,488</u>	<u>5,545</u>	
<b>Communications &amp; Networking</b>								
<b>Under 1 Year Maturity</b>								
OpenPeak, Inc. <sup>(8)</sup>	Communications & Networking	Senior Secured	April 2018	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$ 11,464	8,228	—	
<b>Subtotal: Under 1 Year Maturity</b>						<u>8,228</u>	<u>—</u>	
<b>Subtotal: Communications &amp; Networking (0.00%)*</b>						<u>8,228</u>	<u>—</u>	
<b>Consumer &amp; Business Products</b>								
<b>1-5 Years Maturity</b>								
Antenna79 (p.k.a. Pong Research Corporation) <sup>(15)</sup>	Consumer & Business Products	Senior Secured	December 2019	Interest rate PRIME + 7.45% or Floor rate of 10.95%, 2.95% Exit Fee	\$ 19,619	19,686	19,830	
	Consumer & Business Products	Senior Secured	December 2018	Interest rate PRIME + 6.00% or Floor rate of 9.50%	\$ 1,000	1,000	1,000	
Total Antenna79 (p.k.a. Pong Research Corporation)						\$ 20,619	20,686	20,830
Second Time Around (Simplify Holdings, LLC) <sup>(7)(8)(15)</sup>	Consumer & Business Products	Senior Secured	February 2019	Interest rate PRIME + 7.25% or Floor rate of 10.75%, 4.75% Exit Fee	\$ 1,746	1,781	—	
<b>Subtotal: 1-5 Years Maturity</b>						<u>22,467</u>	<u>20,830</u>	
<b>Subtotal: Consumer &amp; Business Products (2.49%)*</b>						<u>22,467</u>	<u>20,830</u>	
<b>Drug Delivery</b>								
<b>Under 1 Year Maturity</b>								
Pulmatrix Inc. <sup>(9)(11)</sup>	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25% or Floor rate of 9.50%, 3.50% Exit Fee	\$ 3,958	4,120	4,120	
<b>Subtotal: Under 1 Year Maturity</b>						<u>4,120</u>	<u>4,120</u>	
<b>1-5 Years Maturity</b>								
AcelRx Pharmaceuticals, Inc. <sup>(10)(11)(15)</sup>	Drug Delivery	Senior Secured	March 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%, 11.69% Exit Fee	\$ 20,466	21,575	21,650	
Agile Therapeutics, Inc. <sup>(11)</sup>	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75% or Floor rate of 9.00%, 3.70% Exit Fee	\$ 12,465	12,787	12,738	
Antares Pharma Inc. <sup>(10)(15)</sup>	Drug Delivery	Senior Secured	July 2022	Interest rate PRIME + 4.50% or Floor rate of 8.75%, 4.25% Exit Fee	\$ 25,000	24,933	24,933	
Edge Therapeutics, Inc. <sup>(12)</sup>	Drug Delivery	Senior Secured	February 2020	Interest rate PRIME + 4.65% or Floor rate of 9.15%, 4.95% Exit Fee	\$ 20,000	20,252	20,326	
ZP Opco, Inc (p.k.a. Zosano Pharma) <sup>(11)</sup>	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 2.70% or Floor rate of 7.95%, 2.87% Exit Fee	\$ 7,812	8,071	8,023	
<b>Subtotal: 1-5 Years Maturity</b>						<u>87,618</u>	<u>87,670</u>	
<b>Subtotal: Drug Delivery (10.98%)*</b>						<u>91,738</u>	<u>91,790</u>	

See notes to consolidated financial statements.



**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor <sup>(2)</sup>	Principal Amount	Cost <sup>(3)</sup>	Value <sup>(4)</sup>	
<b>Drug Discovery &amp; Development</b>								
<b>Under 1 Year Maturity</b>								
CytRx Corporation <sup>(11)(15)</sup>	Drug Discovery & Development	Senior Secured	August 2018	Interest rate PRIME + 6.00% or Floor rate of 9.50%, 7.09% Exit Fee	\$ 11,000	\$ 11,901	\$ 11,901	
Epirus Biopharmaceuticals, Inc. <sup>(8)</sup>	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%, 3.00% Exit Fee	\$ 3,066	3,349	—	
<b>Subtotal: Under 1 Year Maturity</b>							<u>15,250</u>	<u>11,901</u>
<b>1-5 Years Maturity</b>								
Auris Medical Holding, AG <sup>(5)(10)</sup>	Drug Discovery & Development	Senior Secured	January 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%, 5.75% Exit Fee	\$ 11,435	11,598	11,585	
Aveo Pharmaceuticals, Inc. <sup>(10)(13)</sup>	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 6.90% or Floor rate of 11.90%, 5.40% Exit Fee	\$ 10,000	10,367	10,413	
	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 6.90% or Floor rate of 11.90%, 3.00% Exit Fee	\$ 10,000	9,904	9,914	
Total Aveo Pharmaceuticals, Inc.						\$ 20,000	20,271	20,327
Axovant Sciences Ltd. <sup>(5)(10)</sup>	Drug Discovery & Development	Senior Secured	March 2021	Interest rate PRIME + 6.80% or Floor rate of 10.55%	\$ 55,000	53,479	53,680	
Bellicum Pharmaceuticals, Inc. <sup>(15)</sup>	Drug Discovery & Development	Senior Secured	March 2020	Interest rate PRIME + 5.85% or Floor rate of 9.35%, 8.11% Exit Fee	\$ 15,000	15,527	15,653	
	Drug Discovery & Development	Senior Secured	March 2020	Interest rate PRIME + 5.85% or Floor rate of 9.35%, 3.48% Exit Fee	\$ 5,000	5,042	5,105	
	Drug Discovery & Development	Senior Secured	March 2020	Interest rate PRIME + 5.85% or Floor rate of 9.35%, 6.95% Exit Fee	\$ 10,000	10,118	10,193	
Total Bellicum Pharmaceuticals, Inc.						\$ 30,000	30,687	30,951
Brickell Biotech, Inc. <sup>(12)</sup>	Drug Discovery & Development	Senior Secured	September 2019	Interest rate PRIME + 5.70% or Floor rate of 9.20%, 6.75% Exit Fee	\$ 6,565	6,794	5,100	
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) <sup>(11)</sup>	Drug Discovery & Development	Senior Secured	December 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 4.09% Exit Fee	\$ 14,964	14,794	14,800	
Genocea Biosciences, Inc. <sup>(11)</sup>	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 2.25% or Floor rate of 7.25%, 4.95% Exit Fee	\$ 15,441	16,001	15,971	
Insmed, Incorporated <sup>(11)</sup>	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 4.75% or Floor rate of 9.25%, 4.86% Exit Fee	\$ 55,000	55,253	55,297	
Metuchen Pharmaceuticals LLC <sup>(12)(14)</sup>	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 7.25% or Floor rate of 10.75%, PIK Interest 1.35%, 2.25% Exit Fee	\$ 35,444	35,285	35,325	
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) <sup>(15)</sup>	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 4.50% Exit Fee	\$ 40,000	39,943	39,935	
	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%, 4.50% Exit Fee	\$ 10,000	9,986	9,985	
Total Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.)						\$ 50,000	49,929	49,920
PhaseRx, Inc. <sup>(15)</sup>	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 5.75% or Floor rate of 9.25%, 5.85% Exit Fee	\$ 5,468	5,554	5,563	
Sorrento Therapeutics, Inc. <sup>(10)(13)</sup>	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 5.75% or Floor rate of 9.25%, 5.50% Exit Fee	\$ 30,000	29,113	28,854	
Stealth Bio Therapeutics Corp. <sup>(5)(10)(12)</sup>	Drug Discovery & Development	Senior Secured	January 2021	Interest rate PRIME + 5.50% or Floor rate of 9.50%, 5.00% Exit Fee	\$ 15,000	14,794	14,794	
uniQure B.V. <sup>(5)(10)(11)</sup>	Drug Discovery & Development	Senior Secured	May 2020	Interest rate PRIME + 3.00% or Floor rate of 8.25%, 5.48% Exit Fee	\$ 20,000	20,479	20,456	
Verastem, Inc. <sup>(12)(17)</sup>	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 6.00% or Floor rate of 10.50%, 4.50% Exit Fee	\$ 2,500	2,478	2,476	
<b>Subtotal: 1-5 Years Maturity</b>							<u>366,509</u>	<u>365,099</u>
<b>Subtotal: Drug Discovery &amp; Development (45.08%)*</b>							<u>381,759</u>	<u>377,000</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor <sup>(2)</sup>	Principal Amount	Cost <sup>(3)</sup>	Value <sup>(4)</sup>	
<b>Electronics &amp; Computer Hardware</b>								
<b>1-5 Years Maturity</b>								
908 DEVICES INC. <sup>(15)(17)</sup>	Electronics & Computer Hardware	Senior Secured	September 2020	Interest rate PRIME + 4.00% or Floor rate of 8.25%, 4.25% Exit Fee	\$ 7,500	\$ 7,501	\$ 7,468	
<b>Subtotal: 1-5 Years Maturity</b>							7,501	7,468
<b>Subtotal: Electronics &amp; Computer Hardware (0.89%)*</b>							7,501	7,468
<b>Healthcare Services, Other</b>								
<b>1-5 Years Maturity</b>								
Medisphere Systems Corporation <sup>(13)(14)</sup>	Healthcare Services, Other	Senior Secured	February 2021	Interest rate PRIME + 4.75% or Floor rate of 9.00%, PIK Interest 1.75%	\$ 17,530	17,339	17,339	
Oak Street Health <sup>(12)</sup>	Healthcare Services, Other	Senior Secured	September 2021	Interest rate PRIME + 5.00% or Floor rate of 9.75%, 5.95% Exit Fee	\$ 20,000	19,848	19,848	
PH Group Holdings <sup>(13)</sup>	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45% or Floor rate of 10.95%	\$ 20,000	19,859	19,893	
	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45% or Floor rate of 10.95%	\$ 10,000	9,911	9,875	
Total PH Group Holdings						\$ 30,000	29,770	29,768
<b>Subtotal: 1-5 Years Maturity</b>							66,957	66,955
<b>Subtotal: Healthcare Services, Other (8.01%)*</b>							66,957	66,955
<b>Information Services</b>								
<b>1-5 Years Maturity</b>								
MDX Medical, Inc. <sup>(14)(15)(17)</sup>	Information Services	Senior Secured	December 2020	Interest rate PRIME + 4.25% or Floor rate of 8.25%, PIK Interest 1.70%	\$ 7,535	7,317	7,317	
Netbase Solutions, Inc. <sup>(13)(14)</sup>	Information Services	Senior Secured	August 2020	Interest rate PRIME + 6.00% or Floor rate of 10.00%, PIK Interest 2.00%, 3.00% Exit Fee	\$ 9,005	8,605	8,605	
<b>Subtotal: 1-5 Years Maturity</b>							15,922	15,922
<b>Subtotal: Information Services (1.90%)*</b>							15,922	15,922
<b>Internet Consumer &amp; Business Services</b>								
<b>1-5 Years Maturity</b>								
Aria Systems, Inc. <sup>(11)(14)</sup>	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%, 1.50% Exit Fee	\$ 2,092	2,086	1,797	
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%, 1.50% Exit Fee	\$ 18,739	18,676	16,091	
Total Aria Systems, Inc.						\$ 20,831	20,762	17,888
Intent Media, Inc. <sup>(14)(15)</sup>	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.25% or Floor rate of 8.75%, PIK Interest 1.00%, 2.00% Exit Fee	\$ 5,037	4,970	4,996	
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50% or Floor rate of 9.00%, PIK Interest 2.35%, 2.00% Exit Fee	\$ 2,008	1,960	1,967	
	Internet Consumer & Business Services	Senior Secured	May 2019	Interest rate PRIME + 5.50% or Floor rate of 9.00%, PIK Interest 2.50%, 2.00% Exit Fee	\$ 2,009	1,961	1,968	
Total Intent Media, Inc.						\$ 9,054	8,891	8,931
LogicSource <sup>(15)</sup>	Internet Consumer & Business Services	Senior Secured	October 2019	Interest rate PRIME + 6.25% or Floor rate of 9.75%, 5.00% Exit Fee	\$ 7,237	7,438	7,507	
Snagajob.com, Inc. <sup>(13)(14)</sup>	Internet Consumer & Business Services	Senior Secured	July 2020	Interest rate PRIME + 5.15% or Floor rate of 9.15%, PIK Interest 1.95%, 2.55% Exit Fee	\$ 40,821	40,256	40,779	
Tectura Corporation <sup>(7)(8)(9)(14)</sup>	Internet Consumer & Business Services	Senior Secured	June 2021	Interest rate FIXED 6.00%, PIK Interest 3.00%	\$ 20,145	20,145	20,145	
	Internet Consumer & Business Services	Senior Secured	June 2021	PIK Interest 8.00%	\$ 11,015	240	2,995	
Total Tectura Corporation						\$ 31,160	20,385	23,140
<b>Subtotal: 1-5 Years Maturity</b>							97,732	98,245
<b>Subtotal: Internet Consumer &amp; Business Services (11.75%)*</b>							97,732	98,245

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor <sup>(2)</sup>	Principal Amount	Cost <sup>(3)</sup>	Value <sup>(4)</sup>
<b>Media/Content/Info</b>							
<b>Under 1 Year Maturity</b>							
Machine Zone, Inc. <sup>(14)(16)</sup>	Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 2.50% or Floor rate of 6.75%, PIK Interest 3.00%	\$ 106,179	\$ 105,575	\$ 105,575
<b>Subtotal: Under 1 Year Maturity</b>						<u>105,575</u>	<u>105,575</u>
<b>1-5 Years Maturity</b>							
FanDuel, Inc. <sup>(12)</sup>	Media/Content/Info	Senior Secured	November 2019	Interest rate PRIME + 7.25% or Floor rate of 10.75%, 9.02% Exit Fee	\$ 19,354	19,437	19,437
WP Technology, Inc. (Wattpad, Inc.) <sup>(5)(10)(12)</sup>	Media/Content/Info	Senior Secured	April 2020	Interest rate PRIME + 4.75% or Floor rate of 8.25%, 5.80% Exit Fee	\$ 5,000	5,107	5,192
	Media/Content/Info	Senior Secured	April 2020	Interest rate PRIME + 4.75% or Floor rate of 8.25%, 5.80% Exit Fee	\$ 5,000	5,038	5,106
Total WP Technology, Inc. (Wattpad, Inc.)					\$ 10,000	10,145	10,298
<b>Subtotal: 1-5 Years Maturity</b>						<u>29,582</u>	<u>29,735</u>
<b>Subtotal: Media/Content/Info (16.18%)*</b>						<u>135,157</u>	<u>135,310</u>
<b>Medical Devices &amp; Equipment</b>							
<b>Under 1 Year Maturity</b>							
Amedica Corporation <sup>(9)(15)</sup>	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%, 8.25% Exit Fee	\$ 2,378	4,008	4,008
Gamma Medica, Inc. <sup>(8)(11)</sup>	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%, 6.00% Exit Fee	\$ 161	366	—
<b>Subtotal: Under 1 Year Maturity</b>						<u>4,374</u>	<u>4,008</u>
<b>1-5 Years Maturity</b>							
Aspire Bariatrics, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 4.00% or Floor rate of 9.25%, 5.42% Exit Fee	\$ 3,244	3,524	3,486
IntegenX, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%, 6.75% Exit Fee	\$ 15,000	15,513	15,507
	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%, 9.75% Exit Fee	\$ 2,500	2,575	2,572
Total IntegenX, Inc.					\$ 17,500	18,088	18,079
Micell Technologies, Inc. <sup>(12)</sup>	Medical Devices & Equipment	Senior Secured	August 2019	Interest rate PRIME + 7.25% or Floor rate of 10.50%, 5.00% Exit Fee	\$ 6,200	6,332	6,410
Quanta Fluid Solutions <sup>(5)(10)(11)</sup>	Medical Devices & Equipment	Senior Secured	April 2020	Interest rate PRIME + 8.05% or Floor rate of 11.55%, 5.00% Exit Fee	\$ 10,730	10,982	10,970
Quanterix Corporation <sup>(11)</sup>	Medical Devices & Equipment	Senior Secured	March 2019	Interest rate PRIME + 2.75% or Floor rate of 8.00%, 4.00% Exit Fee	\$ 9,043	9,452	9,465
Sebacia <sup>(15)</sup>	Medical Devices & Equipment	Senior Secured	July 2020	Interest rate PRIME + 4.35% or Floor rate of 8.85%, 6.05% Exit Fee	\$ 8,000	7,865	7,865
Tela Bio, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Senior Secured	September 2020	Interest rate PRIME + 4.95% or Floor rate of 9.45%, 3.15% Exit Fee	\$ 5,000	4,969	4,948
<b>Subtotal: 1-5 Years Maturity</b>						<u>61,212</u>	<u>61,223</u>
<b>Subtotal: Medical Devices &amp; Equipment (7.80%)*</b>						<u>65,586</u>	<u>65,231</u>
<b>Semiconductors</b>							
<b>Under 1 Year Maturity</b>							
Aquantia Corp. <sup>(17)</sup>	Semiconductors	Senior Secured	February 2018	Interest rate PRIME + 3.95% or Floor rate of 7.20%	\$ 5,000	5,000	5,000
<b>Subtotal: Under 1 Year Maturity</b>						<u>5,000</u>	<u>5,000</u>
<b>1-5 Years Maturity</b>							
Achronix Semiconductor Corporation <sup>(15)</sup>	Semiconductors	Senior Secured	August 2020	Interest rate PRIME + 7.00% or Floor rate of 11.00%, 12.50% Exit Fee	\$ 5,000	5,005	5,013
	Semiconductors	Senior Secured	February 2019	Interest rate PRIME + 6.00% or Floor rate of 10.00%	\$ 5,000	5,000	5,000
Total Achronix Semiconductor Corporation					\$ 10,000	10,005	10,013
<b>Subtotal: 1-5 Years Maturity</b>						<u>10,005</u>	<u>10,013</u>
<b>Subtotal: Semiconductors (1.80%)*</b>						<u>15,005</u>	<u>15,013</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor <sup>(2)</sup>	Principal Amount	Cost <sup>(3)</sup>	Value <sup>(4)</sup>
<b>Software</b>							
<b>Under 1 Year Maturity</b>							
Clickfox, Inc. <sup>(13)</sup>	Software	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.50%, 12.01% Exit Fee	\$ 8,836	\$ 9,870	\$ 9,870
Digital Train Limited <sup>(15)</sup>	Software	Senior Secured	July 2018	Interest rate 12-month LIBOR + 2.50%	\$ 5,671	5,671	4,073
RedSeal Inc. <sup>(15)(17)</sup>	Software	Senior Secured	June 2018	Interest rate PRIME + 3.25% or Floor rate of 6.50%	\$ 2,698	2,698	2,698
	Software	Senior Secured	June 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%, 3.95% Exit Fee	\$ 2,888	3,032	3,032
Total RedSeal Inc.					\$ 5,586	5,730	5,730
<b>Subtotal: Under 1 Year Maturity</b>							<u>19,673</u>
<b>1-5 Years Maturity</b>							
Clarabridge, Inc. <sup>(12)(14)</sup>	Software	Senior Secured	April 2021	Interest rate PRIME + 4.80% or Floor rate of 8.55%, PIK Interest 3.25%	\$ 40,559	40,533	40,843
Emma, Inc.	Software	Senior Secured	September 2022	Interest rate daily LIBOR + 7.75% or Floor rate of 8.75%	\$ 50,000	48,500	48,500
Evernote Corporation <sup>(14)(15)(17)</sup>	Software	Senior Secured	October 2020	Interest rate PRIME + 5.45% or Floor rate of 8.95%	\$ 6,000	5,970	6,126
	Software	Senior Secured	July 2021	Interest rate PRIME + 6.00% or Floor rate of 9.50%, PIK Interest 1.25%	\$ 4,010	3,984	3,984
Total Evernote Corporation					\$ 10,010	9,954	10,110
Fuze, Inc. <sup>(14)(15)</sup>	Software	Senior Secured	July 2021	Interest rate PRIME + 3.70% or Floor rate of 7.95%, PIK Interest 1.55%, 3.55% Exit Fee	\$ 50,136	50,152	50,152
Impact Radius Holdings, Inc. <sup>(14)</sup>	Software	Senior Secured	December 2020	Interest rate PRIME + 4.25% or Floor rate of 8.75%, PIK Interest 1.55%, 1.75% Exit Fee	\$ 7,516	7,509	7,509
OneLogin, Inc. <sup>(14)(15)</sup>	Software	Senior Secured	August 2019	Interest rate PRIME + 6.45% or Floor rate of 9.95%, PIK Interest 3.25%	\$ 15,753	15,668	15,983
Pollen, Inc. <sup>(15)</sup>	Software	Senior Secured	April 2019	Interest rate PRIME + 4.25% or Floor rate of 8.50%, 4.00% Exit Fee	\$ 7,000	6,905	6,905
Quid, Inc. <sup>(14)(15)</sup>	Software	Senior Secured	October 2019	Interest rate PRIME + 4.75% or Floor rate of 8.25%, PIK Interest 2.25%, 3.00% Exit Fee	\$ 8,256	8,356	8,458
RedSeal Inc. <sup>(15)</sup>	Software	Senior Secured	January 2020	Interest rate PRIME + 7.75% or Floor rate of 11.25%, 5.95% Exit Fee	\$ 5,000	4,970	4,973
Signpost, Inc. <sup>(14)</sup>	Software	Senior Secured	February 2020	Interest rate PRIME + 4.15% or Floor rate of 8.15%, PIK Interest 1.75%, 3.75% Exit Fee	\$ 15,441	15,454	15,637
Vela Trading Technologies	Software	Senior Secured	July 2022	Interest rate daily LIBOR + 9.50% or Floor rate of 10.50%	\$ 20,000	19,471	19,471
Wrike, Inc. <sup>(12)(14)(17)</sup>	Software	Senior Secured	February 2021	Interest rate PRIME + 6.00% or Floor rate of 9.50%, PIK Interest 2.00%, 3.00% Exit Fee	\$ 10,113	9,880	9,945
<b>Subtotal: 1-5 Years Maturity</b>							<u>238,486</u>
<b>Subtotal: Software (30.87%)*</b>							<u>258,159</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor <sup>(2)</sup>	Principal Amount	Cost <sup>(3)</sup>	Value <sup>(4)</sup>
<b>Specialty Pharmaceuticals</b>							
<b>Under 1 Year Maturity</b>							
Jaguar Animal Health, Inc. <sup>(11)</sup>	Specialty Pharmaceuticals	Senior Secured	August 2018	Interest rate PRIME + 5.65% or Floor rate of 9.90%, 7.00% Exit Fee	\$ 1,350	\$ 1,725	\$ 1,725
<b>Subtotal: Under 1 Year Maturity</b>						<u>1,725</u>	<u>1,725</u>
<b>1-5 Years Maturity</b>							
Alimera Sciences, Inc. <sup>(11)(14)</sup>	Specialty Pharmaceuticals	Senior Secured	November 2020	Interest rate PRIME + 7.50% PIK Interest 1.00%, 4.00% Exit Fee	\$ 35,308	35,282	35,635
<b>Subtotal: 1-5 Years Maturity</b>						<u>35,282</u>	<u>35,635</u>
<b>Subtotal: Specialty Pharmaceuticals (4.47%)*</b>						<u>37,007</u>	<u>37,360</u>
<b>Surgical Devices</b>							
<b>1-5 Years Maturity</b>							
Transmedics, Inc. <sup>(13)</sup>	Surgical Devices	Senior Secured	February 2020	Interest rate PRIME + 5.30% or Floor rate of 9.55%, 6.70% Exit Fee	\$ 8,500	8,687	8,700
<b>Subtotal: 1-5 Years Maturity</b>						<u>8,687</u>	<u>8,700</u>
<b>Subtotal: Surgical Devices (1.04%)*</b>						<u>8,687</u>	<u>8,700</u>
<b>Sustainable and Renewable Technology</b>							
<b>1-5 Years Maturity</b>							
FuelCell Energy, Inc. <sup>(12)</sup>	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate PRIME + 5.50% or Floor rate of 9.50%, 8.50% Exit Fee	\$ 20,000	21,161	21,223
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.) <sup>(6)</sup>	Sustainable and Renewable Technology	Senior Secured	August 2019	Interest rate PRIME + 8.70% or Floor rate of 12.95%, 4.50% Exit Fee	\$ 15,000	14,698	14,698
Proterra, Inc. <sup>(11)</sup>	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 6.95% or Floor rate of 10.20%, 7.00% Exit Fee	\$ 5,000	5,155	5,178
	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 6.95% or Floor rate of 10.20%, 5.95% Exit Fee	\$ 25,000	25,992	25,951
	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 5.75% or Floor rate of 9.25%, 4.95% Exit Fee	\$ 10,000	10,179	10,193
Total Proterra, Inc.					\$ 40,000	41,326	41,322
Rive Technology, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Senior Secured	January 2019	Interest rate PRIME + 6.20% or Floor rate of 9.45%, 4.00% Exit Fee	\$ 5,172	5,381	5,414
Tendril Networks <sup>(12)</sup>	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate FIXED 9.25%, 8.50% Exit Fee	\$ 13,156	13,903	13,883
<b>Subtotal: 1-5 Years Maturity</b>						<u>96,469</u>	<u>96,540</u>
<b>Subtotal: Sustainable and Renewable Technology (11.54%)*</b>						<u>96,469</u>	<u>96,540</u>
<b>Total: Debt Investments (155.46%)*</b>						<u><u>1,314,326</u></u>	<u><u>1,300,068</u></u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Equity Investments</b>						
<b>Biotechnology Tools</b>						
NuGEN Technologies, Inc. <sup>(15)</sup>	Biotechnology Tools	Equity	Common Stock	55,780	\$ 500	\$ —
<b>Subtotal: Biotechnology Tools (0.00%)*</b>					<u>500</u>	<u>—</u>
<b>Communications &amp; Networking</b>						
Achilles Technology Management Co II, Inc. <sup>(7)(15)</sup>	Communications & Networking	Equity	Common Stock	100	3,100	242
GlowPoint, Inc. <sup>(4)</sup>	Communications & Networking	Equity	Common Stock	114,192	102	29
Peerless Network Holdings, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	4,897
<b>Subtotal: Communications &amp; Networking (0.62%)*</b>					<u>4,202</u>	<u>5,168</u>
<b>Diagnostic</b>						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	708
<b>Subtotal: Diagnostic (0.08%)*</b>					<u>750</u>	<u>708</u>
<b>Drug Delivery</b>						
AccelRx Pharmaceuticals, Inc. <sup>(4)(10)</sup>	Drug Delivery	Equity	Common Stock	54,240	108	249
BioQ Pharma Incorporated <sup>(15)</sup>	Drug Delivery	Equity	Preferred Series D	165,000	500	774
Edge Therapeutics, Inc. <sup>(4)</sup>	Drug Delivery	Equity	Common Stock	49,965	309	536
Neos Therapeutics, Inc. <sup>(4)(15)</sup>	Drug Delivery	Equity	Common Stock	125,000	1,500	1,144
Revanca Therapeutics, Inc. <sup>(4)</sup>	Drug Delivery	Equity	Common Stock	22,765	557	627
<b>Subtotal: Drug Delivery (0.40%)*</b>					<u>2,974</u>	<u>3,330</u>
<b>Drug Discovery &amp; Development</b>						
Aveo Pharmaceuticals, Inc. <sup>(4)(10)(15)</sup>	Drug Discovery & Development	Equity	Common Stock	1,901,791	1,715	6,944
Axovant Sciences Ltd. <sup>(4)(5)(10)</sup>	Drug Discovery & Development	Equity	Common Stock	129,827	1,270	437
Cerecor, Inc. <sup>(4)</sup>	Drug Discovery & Development	Equity	Common Stock	119,087	1,000	101
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.) <sup>(4)</sup>	Drug Discovery & Development	Equity	Common Stock	13,550	1,000	42
Dicerna Pharmaceuticals, Inc. <sup>(4)(15)</sup>	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	821
Dynavax Technologies <sup>(4)(10)</sup>	Drug Discovery & Development	Equity	Common Stock	20,000	550	430
Epirus Biopharmaceuticals, Inc. <sup>(4)</sup>	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	—
Genoea Biosciences, Inc. <sup>(4)</sup>	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	326
Inotek Pharmaceuticals Corporation <sup>(4)</sup>	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	7
Insmel, Incorporated <sup>(4)</sup>	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	2,209
Melinta Therapeutics	Drug Discovery & Development	Equity	Preferred Series 4	1,914,448	2,000	888
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) <sup>(4)</sup>	Drug Discovery & Development	Equity	Common Stock	76,362	2,743	1,917
<b>Subtotal: Drug Discovery &amp; Development (1.69%)*</b>					<u>16,778</u>	<u>14,122</u>
<b>Electronics &amp; Computer Hardware</b>						
Identiv, Inc. <sup>(4)</sup>	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	31
<b>Subtotal: Electronics &amp; Computer Hardware (0.00%)*</b>					<u>34</u>	<u>31</u>
<b>Information Services</b>						
DocuSign, Inc.	Information Services	Equity	Common Stock	385,000	6,081	7,425
<b>Subtotal: Information Services (0.89%)*</b>					<u>6,081</u>	<u>7,425</u>
<b>Internet Consumer &amp; Business Services</b>						
Blurb, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	175	33
Brigade Group, Inc. (p.k.a. Philotic, Inc.)	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	—
Lightspeed POS, Inc. <sup>(5)(10)</sup>	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	265
	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	256
Total Lightspeed POS, Inc.				<u>428,707</u>	<u>500</u>	<u>521</u>
OfferUp, Inc.	Internet Consumer & Business Services	Equity	Preferred Series A	286,080	1,663	2,121
	Internet Consumer & Business Services	Equity	Preferred Series A-1	108,710	632	806
Total OfferUp, Inc.				<u>394,790</u>	<u>2,295</u>	<u>2,927</u>
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	448
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	259
Total Oportun (p.k.a. Progress Financial)				<u>306,153</u>	<u>500</u>	<u>707</u>
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	51
Tectura Corporation <sup>(7)</sup>	Internet Consumer & Business Services	Equity	Preferred Series BB	1,000,000	—	—
<b>Subtotal: Internet Consumer &amp; Business Services (0.51%)*</b>					<u>3,578</u>	<u>4,239</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Media/Content/Info</b>						
Pinterest, Inc.	Media/Content/Info	Equity	Preferred Series Seed	620,000	\$ 4,085	\$ 4,773
<b>Subtotal: Media/Content/Info (0.57%)*</b>					<u>4,085</u>	<u>4,773</u>
<b>Medical Devices &amp; Equipment</b>						
AtriCure, Inc. <sup>(4)(15)</sup>	Medical Devices & Equipment	Equity	Common Stock	7,536	266	169
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series AA	221,893	1,500	—
Gelesis, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Equity	Common Stock	198,202	—	848
	Medical Devices & Equipment	Equity	Preferred Series A-1	191,210	425	919
	Medical Devices & Equipment	Equity	Preferred Series A-2	191,626	500	868
Total Gelesis, Inc.				581,038	925	2,635
HercGamma, Inc. <sup>(7)</sup>	Medical Devices & Equipment	Equity	Common Stock	100	523	—
Medrobotics Corporation <sup>(15)</sup>	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	254
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	196
	Medical Devices & Equipment	Equity	Preferred Series G	163,934	500	504
Total Medrobotics Corporation				374,703	905	954
Optiscan Biomedical, Corp. <sup>(6)(15)</sup>	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	389
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	110
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	3,907
	Medical Devices & Equipment	Equity	Preferred Series E	15,638,888	1,308	1,496
Total Optiscan Biomedical, Corp.				78,855,687	10,220	5,902
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	579
Quanterix Corporation	Medical Devices & Equipment	Equity	Preferred Series D	272,479	1,000	1,135
<b>Subtotal: Medical Devices &amp; Equipment (1.36%)*</b>					<u>15,866</u>	<u>11,374</u>
<b>Software</b>						
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	90
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	987
	Software	Equity	Preferred Series 3	93,620	300	306
Total Druva, Inc.				552,461	1,300	1,293
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	2,675
	Software	Equity	Preferred Series E	80,587	131	676
Total ForeScout Technologies, Inc.				399,686	529	3,351
HighRoads, Inc.	Software	Equity	Common Stock	190	307	—
NewVoiceMedia Limited <sup>(5)(10)</sup>	Software	Equity	Preferred Series E	669,173	963	1,378
Palantir Technologies	Software	Equity	Preferred Series E	727,696	5,431	5,379
Sprinklr, Inc.	Software	Equity	Common Stock	700,000	3,749	4,259
WildTangent, Inc. <sup>(15)</sup>	Software	Equity	Preferred Series 3	100,000	402	182
<b>Subtotal: Software (1.91%)*</b>					<u>12,732</u>	<u>15,932</u>
<b>Surgical Devices</b>						
Gynesonics, Inc. <sup>(15)</sup>	Surgical Devices	Equity	Preferred Series B	219,298	250	39
	Surgical Devices	Equity	Preferred Series C	656,538	282	54
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	694
	Surgical Devices	Equity	Preferred Series E	2,786,367	429	460
Total Gynesonics, Inc.				5,653,360	1,673	1,247
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	342
	Surgical Devices	Equity	Preferred Series C	119,999	300	306
	Surgical Devices	Equity	Preferred Series D	260,000	650	889
	Surgical Devices	Equity	Preferred Series F	100,200	500	504
Total Transmedics, Inc.				569,160	2,550	2,041
<b>Subtotal: Surgical Devices (0.39%)*</b>					<u>4,223</u>	<u>3,288</u>
<b>Sustainable and Renewable Technology</b>						
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Equity	Common Stock	19,250	761	—
Glori Energy, Inc. <sup>(4)</sup>	Sustainable and Renewable Technology	Equity	Common Stock	18,208	165	—
Modumetal, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series C	3,107,520	500	575
Proterra, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series 3	99,280	500	528
Solar Spectrum Holdings LLC (p.k.a. Sungevity, Inc.) <sup>(6)</sup>	Sustainable and Renewable Technology	Equity	Common Stock	288	61,502	12,824
<b>Subtotal: Sustainable and Renewable Technology (1.67%)*</b>					<u>63,428</u>	<u>13,927</u>
<b>Total: Equity Investments (10.08%)*</b>					<u>135,231</u>	<u>84,317</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Warrant Investments</b>						
<b>Biotechnology Tools</b>						
Labcyte, Inc. <sup>(15)</sup>	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	\$ 323	\$ 426
<b>Subtotal: Biotechnology Tools (0.05%)*</b>					<u>323</u>	<u>426</u>
<b>Communications &amp; Networking</b>						
PeerApp, Inc.	Communications & Networking	Warrant	Preferred Series B	298,779	61	—
Peerless Network Holdings, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	379
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Common Stock	2,834,375	418	—
<b>Subtotal: Communications &amp; Networking (0.05%)*</b>					<u>574</u>	<u>379</u>
<b>Consumer &amp; Business Products</b>						
Antenna79 (p.k.a. Pong Research Corporation) <sup>(15)</sup>	Consumer & Business Products	Warrant	Common Stock	1,662,441	228	—
Intelligent Beauty, Inc. <sup>(15)</sup>	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	231
The Neat Company <sup>(15)</sup>	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	—
<b>Subtotal: Consumer &amp; Business Products (0.03%)*</b>					<u>823</u>	<u>231</u>
<b>Drug Delivery</b>						
AcelRx Pharmaceuticals, Inc. <sup>(4)(10)(15)</sup>	Drug Delivery	Warrant	Common Stock	176,730	786	264
Agile Therapeutics, Inc. <sup>(4)</sup>	Drug Delivery	Warrant	Common Stock	180,274	730	183
BioQ Pharma Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	838
Celsion Corporation <sup>(4)</sup>	Drug Delivery	Warrant	Common Stock	13,927	428	—
Dance Biopharm, Inc. <sup>(15)</sup>	Drug Delivery	Warrant	Common Stock	110,882	74	—
Edge Therapeutics, Inc. <sup>(4)</sup>	Drug Delivery	Warrant	Common Stock	78,595	390	301
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	1,032
Neos Therapeutics, Inc. <sup>(4)(15)</sup>	Drug Delivery	Warrant	Common Stock	70,833	285	117
Pulmatrix Inc. <sup>(4)</sup>	Drug Delivery	Warrant	Common Stock	25,150	116	10
ZP Opco, Inc. (p.k.a. Zosano Pharma) <sup>(4)</sup>	Drug Delivery	Warrant	Common Stock	72,379	266	1
<b>Subtotal: Drug Delivery (0.33%)*</b>					<u>3,670</u>	<u>2,746</u>
<b>Drug Discovery &amp; Development</b>						
ADMA Biologics, Inc. <sup>(4)</sup>	Drug Discovery & Development	Warrant	Common Stock	89,750	295	8
Anthera Pharmaceuticals, Inc. <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	5,022	984	—
Audentes Therapeutics, Inc. <sup>(4)(10)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	9,914	62	136
Auris Medical Holding, AG <sup>(4)(5)(10)</sup>	Drug Discovery & Development	Warrant	Common Stock	156,726	249	26
Brickell Biotech, Inc.	Drug Discovery & Development	Warrant	Preferred Series C	26,086	119	—
Cerecor, Inc. <sup>(4)</sup>	Drug Discovery & Development	Warrant	Common Stock	22,328	70	—
Chroma Therapeutics, Ltd. <sup>(5)(10)</sup>	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	—
Cleveland BioLabs, Inc. <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	7,813	105	2
Concert Pharmaceuticals, Inc. <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	132,069	545	413
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) <sup>(4)</sup>	Drug Discovery & Development	Warrant	Common Stock	29,239	165	4
CytRx Corporation <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	634,146	160	106
Dare Biosciences, Inc. (p.k.a. Cerulean Pharma, Inc.) <sup>(4)</sup>	Drug Discovery & Development	Warrant	Common Stock	17,190	369	—
Dicerna Pharmaceuticals, Inc. <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	200	28	—
Epirus Biopharmaceuticals, Inc. <sup>(4)</sup>	Drug Discovery & Development	Warrant	Common Stock	64,194	276	—
Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.) <sup>(4)</sup>	Drug Discovery & Development	Warrant	Common Stock	73,009	142	41
Genocea Biosciences, Inc. <sup>(4)</sup>	Drug Discovery & Development	Warrant	Common Stock	73,725	266	13
Immune Pharmaceuticals <sup>(4)</sup>	Drug Discovery & Development	Warrant	Common Stock	10,742	164	—
Melinta Therapeutics	Drug Discovery & Development	Warrant	Preferred Series 3	1,382,323	626	80
Nanotherapeutics, Inc. <sup>(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	171,389	838	78
Neohetics, Inc. (p.k.a. Lithera, Inc.) <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	46,838	266	10
Neuralstem, Inc. <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	5,783	77	—
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	75,214	178	516
PhaseRx, Inc. <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	63,000	125	2
Savara Inc. (p.k.a. Mast Therapeutics, Inc.) <sup>(4)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	32,467	203	107
Sorrento Therapeutics, Inc. <sup>(4)(10)</sup>	Drug Discovery & Development	Warrant	Common Stock	306,748	889	106
Stealth Bio Therapeutics Corp. <sup>(5)(10)</sup>	Drug Discovery & Development	Warrant	Preferred Series A	487,500	116	130
uniQure B.V. <sup>(4)(5)(10)</sup>	Drug Discovery & Development	Warrant	Common Stock	37,174	218	38
XOMA Corporation <sup>(4)(10)(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	9,063	279	14
<b>Subtotal: Drug Discovery &amp; Development (0.22%)*</b>					<u>8,304</u>	<u>1,830</u>

See notes to consolidated financial statements.



**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>	
<b>Electronics &amp; Computer Hardware</b>							
908 DEVICES INC. <sup>(15)</sup>	Electronics & Computer Hardware	Warrant	Preferred Series D	79,856	\$ 100	\$ 107	
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	—	
<b>Subtotal: Electronics &amp; Computer Hardware (0.01%)*</b>						<b>112</b>	<b>107</b>
<b>Healthcare Services, Other</b>							
Chromadex Corporation <sup>(4)(15)</sup>	Healthcare Services, Other	Warrant	Common Stock	139,673	157	184	
<b>Subtotal: Healthcare Services, Other (0.02%)*</b>						<b>157</b>	<b>184</b>
<b>Information Services</b>							
INMOBI Inc. <sup>(5)(10)</sup>	Information Services	Warrant	Common Stock	65,587	82	—	
InXpo, Inc. <sup>(15)</sup>	Information Services	Warrant	Preferred Series C	648,400	98	17	
	Information Services	Warrant	Preferred Series C-1	1,165,183	74	29	
Total InXpo, Inc.				1,813,583	172	46	
MDX Medical, Inc. <sup>(15)</sup>	Information Services	Warrant	Common Stock	2,250,000	246	254	
Netbase Solutions, Inc.	Information Services	Warrant	Preferred Series 1	60,000	355	351	
RichRelevance, Inc. <sup>(15)</sup>	Information Services	Warrant	Preferred Series E	112,612	98	—	
<b>Subtotal: Information Services (0.08%)*</b>						<b>953</b>	<b>651</b>
<b>Internet Consumer &amp; Business Services</b>							
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series G	231,535	73	—	
Blurb, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	5	
ClearObject, Inc. (p.k.a. CloudOne, Inc.)	Internet Consumer & Business Services	Warrant	Preferred Series E	968,992	19	156	
Intent Media, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Common Stock	140,077	168	206	
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	2,300	
Lightspeed POS, Inc. <sup>(5)(10)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C	245,610	20	41	
LogicSource <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C	79,625	30	35	
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	186	
ShareThis, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	—	
Snagajob.com, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A	1,800,000	782	1,311	
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	10	
<b>Subtotal: Internet Consumer &amp; Business Services (0.51%)*</b>						<b>3,771</b>	<b>4,250</b>
<b>Media/Content/Info</b>							
FanDuel, Inc.	Media/Content/Info	Warrant	Preferred Series A	4,648	730	1,875	
	Media/Content/Info	Warrant	Common Stock	15,570	—	—	
Total FanDuel, Inc.				20,218	730	1,875	
Machine Zone, Inc. <sup>(16)</sup>	Media/Content/Info	Warrant	Common Stock	1,552,710	1,958	4,833	
Rhapsody International, Inc. <sup>(15)</sup>	Media/Content/Info	Warrant	Common Stock	715,755	385	125	
WP Technology, Inc. (Wattpad, Inc.) <sup>(5)(10)</sup>	Media/Content/Info	Warrant	Common Stock	255,818	4	8	
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	32	
<b>Subtotal: Media/Content/Info (0.82%)*</b>						<b>3,425</b>	<b>6,873</b>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Medical Devices &amp; Equipment</b>						
Amedica Corporation <sup>(4)(15)</sup>	Medical Devices & Equipment	Warrant	Common Stock	103,225	\$ 459	\$ 2
Aspire Bariatrics, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series B-1	112,858	455	108
Avedro, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series AA	300,000	401	309
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series AA	155,325	362	—
Gelesis, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series A-1	74,784	78	200
InspireMD, Inc. <sup>(4)(5)(10)</sup>	Medical Devices & Equipment	Warrant	Common Stock	39,364	242	—
IntegenX, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series C	547,752	15	24
Medrobotics Corporation <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	388
Micell Technologies, Inc.	Medical Devices & Equipment	Warrant	Preferred Series D-2	84,955	262	241
NetBio, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	7,841	408	107
NinePoint Medical, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	95
Optscan Biomedical, Corp. <sup>(6)(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,252	161
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	446
Quanterix Corporation	Medical Devices & Equipment	Warrant	Preferred Series C	173,428	180	94
		Warrant	Preferred Series D	38,828	25	19
Total Quanterix Corporation				212,256	205	113
Sebacia, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series D	778,301	133	133
SonaCare Medical, LLC (p.k.a. US HIFU, LLC)	Medical Devices & Equipment	Warrant	Preferred Series A	6,464	188	—
Strata Skin Sciences, Inc. (p.k.a. MELA Sciences, Inc.) <sup>(4)</sup>	Medical Devices & Equipment	Warrant	Common Stock	13,864	401	—
Tela Bio, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series B	129,310	20	10
ViewRay, Inc. <sup>(4)(15)</sup>	Medical Devices & Equipment	Warrant	Common Stock	128,231	333	164
<b>Subtotal: Medical Devices &amp; Equipment (0.30%)*</b>					<b>6,156</b>	<b>2,501</b>
<b>Semiconductors</b>						
Achronix Semiconductor Corporation <sup>(15)</sup>	Semiconductors	Warrant	Preferred Series C	360,000	160	80
	Semiconductors	Warrant	Preferred Series D-2	750,000	99	358
Total Achronix Semiconductor Corporation				1,110,000	259	438
Aquantia Corp.	Semiconductors	Warrant	Preferred Series G	196,831	4	172
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	141,567	46	157
<b>Subtotal: Semiconductors (0.09%)*</b>					<b>309</b>	<b>767</b>
<b>Software</b>						
Actifio, Inc.	Software	Warrant	Common Stock	73,584	249	75
	Software	Warrant	Preferred Series F	31,673	343	65
Total Actifio, Inc.				105,257	592	140
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	—
CareCloud Corporation <sup>(15)</sup>	Software	Warrant	Preferred Series B	413,433	258	669
Clickfox, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series B	1,038,563	330	580
	Software	Warrant	Preferred Series C	592,019	730	446
	Software	Warrant	Preferred Series C-A	2,218,214	230	4,628
Total Clickfox, Inc.				3,848,796	1,290	5,654
Evernote Corporation <sup>(15)</sup>	Software	Warrant	Common Stock	62,500	106	139
Fuze, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series F	256,158	89	108
Mattersight Corporation <sup>(4)</sup>	Software	Warrant	Common Stock	357,143	538	214
Message Systems, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C	503,718	334	373
Mobile Posse, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C	396,430	130	238
Neos, Inc. <sup>(15)</sup>	Software	Warrant	Common Stock	221,150	22	12
NewVoiceMedia Limited <sup>(5)(10)</sup>	Software	Warrant	Preferred Series E	225,586	33	135
OneLogin, Inc. <sup>(15)</sup>	Software	Warrant	Common Stock	228,972	150	293
Poplicus, Inc.	Software	Warrant	Common Stock	132,168	—	—
Quid, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series D	71,576	1	6
RedSeal Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C-Prime	640,603	66	36
Signpost, Inc.	Software	Warrant	Preferred Series C	324,005	314	106
Sonian, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C	185,949	106	97
Wrike, Inc.	Software	Warrant	Common Stock	698,760	462	1,108
<b>Subtotal: Software (1.12%)*</b>					<b>4,679</b>	<b>9,328</b>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**September 30, 2017**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Specialty Pharmaceuticals</b>						
Alimera Sciences, Inc. <sup>(4)</sup>	Specialty Pharmaceuticals	Warrant	Common Stock	1,717,709	\$ 861	\$ 515
<b>Subtotal: Specialty Pharmaceuticals (0.06%)*</b>					<b>861</b>	<b>515</b>
<b>Surgical Devices</b>						
Gynesonics, Inc. <sup>(15)</sup>	Surgical Devices	Warrant	Preferred Series C	180,480	75	13
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	252
Total Gynesonics, Inc.				1,756,445	395	265
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	24
	Surgical Devices	Warrant	Preferred Series D	175,000	100	421
	Surgical Devices	Warrant	Preferred Series F	50,544	38	69
Total Transmedics, Inc.				265,980	363	514
<b>Subtotal: Surgical Devices (0.09%)*</b>					<b>758</b>	<b>779</b>
<b>Sustainable and Renewable Technology</b>						
Agrivida, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series D	471,327	120	138
Alphabet Energy, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series 1B	13,667	82	—
American Superconductor Corporation <sup>(4)</sup>	Sustainable and Renewable Technology	Warrant	Common Stock	58,823	39	24
Brightsource Energy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 1	116,666	104	—
Calera, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series C	44,529	513	—
EcoMotors, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series B	437,500	308	—
Fluidic, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series D	61,804	102	—
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Warrant	Common Stock	530,811	181	—
	Sustainable and Renewable Technology	Warrant	Preferred Series 2-A	6,229	50	—
Total Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)				537,040	231	—
Fulcrum Bioenergy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series C-1	280,897	275	312
GreatPoint Energy, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series D-1	393,212	548	—
Polyera Corporation <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series C	311,609	338	—
Proterra, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 4	477,517	41	582
Rive Technology, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series E	234,477	12	16
Stion Corporation <sup>(6)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series Seed	2,154	1,378	—
TAS Energy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series AA	428,571	299	—
Tendril Networks	Sustainable and Renewable Technology	Warrant	Preferred Series 3-A	1,019,793	189	90
<b>Subtotal: Sustainable and Renewable Technology (0.14%)*</b>					<b>4,579</b>	<b>1,162</b>
<b>Total: Warrant Investments (3.91%)*</b>					<b>39,454</b>	<b>32,729</b>
<b>Total Investments in Securities (169.45%)*</b>					<b>\$ 1,489,011</b>	<b>\$ 1,417,114</b>

<sup>5</sup> Value as a percent of net assets

- (1) Preferred and common stock, warrants, and equity interests are generally non-income producing.
- (2) Interest rate PRIME represents 4.25% at September 30, 2017. Daily LIBOR and 12-month LIBOR represent 1.18% and 1.79%, respectively, at September 30, 2017.
- (3) Gross unrealized appreciation, gross unrealized depreciation, and net unrealized depreciation for federal income tax purposes totaled \$32.3 million, \$113.4 million and \$81.1 million respectively. The tax cost of investments is \$1.5 billion.
- (4) Except for warrants in 38 publicly traded companies and common stock in 19 publicly traded companies, all investments are restricted at September 30, 2017 and were valued at fair value using Level 3 significant unobservable inputs as determined in good faith by the Company's board of directors (the "Board of Directors"). No unrestricted securities of the same issuer are outstanding. The Company uses the Standard Industrial Code for classifying the industry grouping of its portfolio companies.
- (5) Non-U.S. company or the company's principal place of business is outside the United States.
- (6) Affiliate investment as defined under the Investment Company Act of 1940, as amended, (the "1940 Act") in which Hercules owns at least 5% but generally less than 25% of the company's voting securities.
- (7) Control investment as defined under the 1940 Act in which Hercules owns at least 25% of the company's voting securities or has greater than 50% representation on its board.
- (8) Debt is on non-accrual status at September 30, 2017, and is therefore considered non-income producing. Note that at September 30, 2017, only the \$11.0 million PIK, or payment-in-kind, loan is on non-accrual for the Company's debt investment in Tectura Corporation.
- (9) Denotes that all or a portion of the debt investment is convertible debt.
- (10) Indicates assets that the Company deems not "qualifying assets" under section 55(a) of 1940 Act. Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets.
- (11) Denotes that all or a portion of the debt investment secures the notes offered in the Debt Securitization (as defined in Note 4).
- (12) Denotes that all or a portion of the debt investment is pledged under the Wells Facility (as defined in Note 4).
- (13) Denotes that all or a portion of the debt investment is pledged as collateral under the Union Bank Facility (as defined in Note 4).
- (14) Denotes that all or a portion of the debt investment principal includes accumulated PIK interest and is net of repayments.
- (15) Denotes that all or a portion of the investment in this portfolio company is held by Hercules Technology II, L.P., or HT II, or Hercules Technology III, L.P., or HT III, the Company's wholly owned small business investment companies, or SBIC, subsidiaries.
- (16) Denotes that the fair value of the Company's total investments in this portfolio company represent greater than 5% of the Company's total assets at September 30, 2017.
- (17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company at September 30, 2017. Refer to Note 10.

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>	
<b>Debt Investments</b>								
<b>Biotechnology Tools</b>								
<b>1-5 Years Maturity</b>								
Excicure, Inc. <sup>(11) (14A)</sup>	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45% or Floor rate of 9.95%	\$ 6,000	\$ 5,971	\$ 6,035	
<b>Subtotal: 1-5 Years Maturity</b>						<u>5,971</u>	<u>6,035</u>	
<b>Subtotal: Biotechnology Tools (0.77%)*</b>						<u>5,971</u>	<u>6,035</u>	
<b>Communications &amp; Networking</b>								
<b>Under 1 Year Maturity</b>								
Achilles Technology Management Co II, Inc. <sup>(6)</sup> <sup>(13) (14B)</sup>	Communications & Networking	Senior Secured	August 2017	PIK Interest 10.50%	\$ 1,278	1,304	1,304	
OpenPeak, Inc. <sup>(7)</sup>	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$ 12,211	8,975	—	
<b>Subtotal: Under 1 Year Maturity</b>						<u>10,279</u>	<u>1,304</u>	
<b>1-5 Years Maturity</b>								
Avanti Communications Group <sup>(4) (9)</sup>	Communications & Networking	Senior Secured	October 2019	Interest rate FIXED 10.00%	\$ 8,025	7,212	4,825	
SkyCross, Inc. <sup>(6) (7) (13) (14B) (15)</sup>	Communications & Networking	Senior Secured	January 2018	Interest rate FIXED 10.95%, PIK Interest 5.00%	\$ 16,758	16,900	—	
Spring Mobile Solutions, Inc. <sup>(12) (14B)</sup>	Communications & Networking	Senior Secured	January 2019	Interest rate PRIME + 6.70% or Floor rate of 9.95%	\$ 3,000	3,038	3,044	
<b>Subtotal: 1-5 Years Maturity</b>						<u>27,150</u>	<u>7,869</u>	
<b>Subtotal: Communications &amp; Networking (1.16%)*</b>						<u>37,429</u>	<u>9,173</u>	
<b>Consumer &amp; Business Products</b>								
<b>1-5 Years Maturity</b>								
Antenna79 (p.k.a. Pong Research Corporation) <sup>(14A) (15)</sup>	Consumer & Business Products	Senior Secured	December 2019	Interest rate PRIME + 7.45% or Floor rate of 10.95%	\$ 20,000	19,837	19,837	
	Consumer & Business Products	Senior Secured	December 2018	Interest rate PRIME + 6.00% or Floor rate of 9.50%	\$ 1,000	965	965	
Total Antenna79 (p.k.a. Pong Research Corporation)						\$ 21,000	20,802	20,802
Nasty Gal <sup>(14B) (15)</sup>	Consumer & Business Products	Senior Secured	May 2019	Interest rate PRIME + 5.45% or Floor rate of 8.95%	\$ 13,241	13,148	13,148	
Second Time Around (Simplify Holdings, LLC) <sup>(14A) (15)</sup>	Consumer & Business Products	Senior Secured	February 2019	Interest rate PRIME + 7.25% or Floor rate of 10.75%	\$ 2,280	2,302	2,283	
<b>Subtotal: 1-5 Years Maturity</b>						<u>36,252</u>	<u>36,233</u>	
<b>Subtotal: Consumer &amp; Business Products (4.60%)*</b>						<u>36,252</u>	<u>36,233</u>	
<b>Drug Delivery</b>								
<b>Under 1 Year Maturity</b>								
AcelRx Pharmaceuticals, Inc. <sup>(9) (10) (14A) (15)</sup>	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85% or Floor rate of 9.10%	\$ 20,466	\$ 21,151	\$ 21,151	
Celsion Corporation <sup>(10) (14A)</sup>	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$ 2,246	2,575	2,575	
<b>Subtotal: Under 1 Year Maturity</b>						<u>23,726</u>	<u>23,726</u>	
<b>1-5 Years Maturity</b>								
Agile Therapeutics, Inc. <sup>(10) (14A)</sup>	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75% or Floor rate of 9.00%	\$ 16,500	16,524	16,434	
Apexia Pharmaceuticals Company <sup>(11) (14A)</sup>	Drug Delivery	Senior Secured	January 2020	Interest rate PRIME + 5.75% or Floor rate of 9.25%	\$ 20,000	19,700	19,706	
BioQ Pharma Incorporated <sup>(10) (14A) (14B)</sup>	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.25%	\$ 8,231	8,636	8,577	
	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 7.00% or Floor rate of 10.25%	\$ 2,464	2,511	2,509	
Total BioQ Pharma Incorporated						\$ 10,695	11,147	11,086
Edge Therapeutics, Inc. <sup>(11) (14A) (17)</sup>	Drug Delivery	Senior Secured	February 2020	Interest rate PRIME + 4.65% or Floor rate of 9.15%	\$ 15,000	15,004	15,045	
Pulmatrix Inc. <sup>(8) (10) (14A)</sup>	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 6.25% or Floor rate of 9.50%	\$ 5,954	6,022	6,013	
ZP Opco, Inc. (p.k.a. Zosano Pharma) <sup>(10) (14A)</sup>	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 2.70% or Floor rate of 7.95%	\$ 12,123	12,325	12,238	
<b>Subtotal: 1-5 Years Maturity</b>						<u>80,722</u>	<u>80,522</u>	
<b>Subtotal: Drug Delivery (13.23%)*</b>						<u>104,448</u>	<u>104,248</u>	

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>	
<b>Drug Discovery &amp; Development</b>								
<b>Under 1 Year Maturity</b>								
Cerecor, Inc. <sup>(11) (14A)</sup>	Drug Discovery & Development	Senior Secured	August 2017	Interest rate PRIME + 4.70% or Floor rate of 7.95%	\$ 2,374	\$ 2,499	\$ 2,499	
Neuralstem, Inc. <sup>(14A) (15)</sup>	Drug Discovery & Development	Senior Secured	April 2017	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$ 3,766	3,996	3,996	
<b>Subtotal: Under 1 Year Maturity</b>						<u>6,495</u>	<u>6,495</u>	
<b>1-5 Years Maturity</b>								
Auris Medical Holding, AG <sup>(4) (9) (14B)</sup>	Drug Discovery & Development	Senior Secured	January 2020	Interest rate PRIME + 6.05% or Floor rate of 9.55%	\$ 12,500	12,317	12,326	
Aveo Pharmaceuticals, Inc. <sup>(9) (12) (14A) (14B)</sup>	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 6.90% or Floor rate of 11.90%	\$ 10,000	10,269	10,218	
	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 6.90% or Floor rate of 11.90%	\$ 5,000	4,926	4,918	
Total Aveo Pharmaceuticals, Inc.						\$ 15,000	15,195	15,136
Bellicum Pharmaceuticals, Inc. <sup>(14A) (14B) (15)</sup>	Drug Discovery & Development	Senior Secured	March 2020	Interest rate PRIME + 5.85% or Floor rate of 9.35%	\$ 15,000	15,212	15,387	
	Drug Discovery & Development	Senior Secured	March 2020	Interest rate PRIME + 5.85% or Floor rate of 9.35%	\$ 5,000	4,981	5,049	
Total Bellicum Pharmaceuticals, Inc.						\$ 20,000	20,193	20,436
Brickell Biotech, Inc. <sup>(11) (14B)</sup>	Drug Discovery & Development	Senior Secured	September 2019	Interest rate PRIME + 5.70% or Floor rate of 9.20%	\$ 7,500	7,521	7,560	
Cerulean Pharma, Inc. <sup>(12) (14B)</sup>	Drug Discovery & Development	Senior Secured	July 2018	Interest rate PRIME + 1.55% or Floor rate of 7.30%	\$ 13,078	13,994	13,908	
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) <sup>(10) (14A)</sup>	Drug Discovery & Development	Senior Secured	December 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$ 19,548	19,276	19,372	
CytRx Corporation <sup>(10) (14B) (15)</sup>	Drug Discovery & Development	Senior Secured	February 2020	Interest rate PRIME + 6.00% or Floor rate of 9.50%	\$ 25,000	25,086	25,166	
Epirus Biopharmaceuticals, Inc. <sup>(7) (14A)</sup>	Drug Discovery & Development	Senior Secured	April 2018	Interest rate PRIME + 4.70% or Floor rate of 7.95%	\$ 3,066	3,349	—	
Genocea Biosciences, Inc. <sup>(10) (14A)</sup>	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 2.25% or Floor rate of 7.25%	\$ 17,000	17,313	17,376	
Immune Pharmaceuticals <sup>(10) (14B)</sup>	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 4.75% or Floor rate of 10.00%	\$ 3,271	3,350	2,693	
Insmed, Incorporated <sup>(10) (14A)</sup>	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 4.75% or Floor rate of 9.25%	\$ 55,000	54,695	54,559	
Mast Therapeutics, Inc. <sup>(14A) (15)</sup>	Drug Discovery & Development	Senior Secured	January 2019	Interest rate PRIME + 5.70% or Floor rate of 8.95%	\$ 3,347	3,921	3,923	
Melinta Therapeutics <sup>(12) (14A)</sup>	Drug Discovery & Development	Senior Secured	June 2018	Interest rate PRIME + 3.75% or Floor rate of 8.25%	\$ 24,502	25,001	24,945	
Merrimack Pharmaceuticals, Inc. <sup>(9)</sup>	Drug Discovery & Development	Senior Secured	December 2022	Interest rate FIXED 11.50%	\$ 25,000	25,000	25,000	
Metuchen Pharmaceuticals LLC <sup>(13) (14A)</sup>	Drug Discovery & Development	Senior Secured	October 2020	Interest rate PRIME + 7.25% or Floor rate of 10.75%, PIK Interest 1.35%	\$ 35,081	34,541	34,541	
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) <sup>(14A) (15)</sup>	Drug Discovery & Development	Senior Secured	September 2020	Interest rate PRIME + 2.75% or Floor rate of 8.50%	\$ 40,000	39,388	39,504	
PhaseRx, Inc. <sup>(14B) (15)</sup>	Drug Discovery & Development	Senior Secured	December 2019	Interest rate PRIME + 5.75% or Floor rate of 9.25%	\$ 6,000	5,921	5,945	
Sorrento Therapeutics, Inc. <sup>(9) (14B)</sup>	Drug Discovery & Development	Senior Secured	December 2020	Interest rate PRIME + 5.75% or Floor rate of 9.25%	\$ 50,000	48,069	48,069	
uniQure B.V. <sup>(4) (9) (10) (14B)</sup>	Drug Discovery & Development	Senior Secured	May 2020	Interest rate PRIME + 3.00% or Floor rate of 8.25%	\$ 20,000	20,133	20,081	
XOMA Corporation <sup>(9) (14B) (15)</sup>	Drug Discovery & Development	Senior Secured	September 2018	Interest rate PRIME + 2.15% or Floor rate of 9.40%	\$ 16,380	16,970	16,901	
<b>Subtotal: 1-5 Years Maturity</b>						<u>411,233</u>	<u>407,441</u>	
<b>Subtotal: Drug Discovery &amp; Development (52.53%)*</b>						<u>417,728</u>	<u>413,936</u>	

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Electronics &amp; Computer Hardware</b>							
<b>1-5 Years Maturity</b>							
Persimmon Technologies <sup>(11)</sup> <sup>(13)</sup> <sup>(14B)</sup>	Electronics & Computer Hardware	Senior Secured	June 2019	Interest rate PRIME + 7.50% or Floor rate of 11.00%, PIK Interest 1.50%	\$ 7,012	\$ 7,096	\$ 7,134
<b>Subtotal: 1-5 Years Maturity</b>						<u>7,096</u>	<u>7,134</u>
<b>Subtotal: Electronics &amp; Computer Hardware (0.91%)*</b>						<u>7,096</u>	<u>7,134</u>
<b>Healthcare Services, Other</b>							
<b>1-5 Years Maturity</b>							
InstaMed Communications, LLC <sup>(14B)</sup> <sup>(15)</sup>	Healthcare Services, Other	Senior Secured	February 2019	Interest rate PRIME + 6.75% or Floor rate of 10.00%	\$ 10,000	10,125	10,261
PH Group Holdings	Healthcare Services, Other	Senior Secured	September 2020	Interest rate PRIME + 7.45% or Floor rate of 10.95%	\$ 20,000	19,802	19,802
<b>Subtotal: 1-5 Years Maturity</b>						<u>29,927</u>	<u>30,063</u>
<b>Subtotal: Healthcare Services, Other (3.82%)*</b>						<u>29,927</u>	<u>30,063</u>
<b>Internet Consumer &amp; Business Services</b>							
<b>1-5 Years Maturity</b>							
Aria Systems, Inc. <sup>(10)</sup> <sup>(13)</sup>	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 3.20% or Floor rate of 6.95%, PIK Interest 1.95%	\$ 2,061	2,045	1,728
	Internet Consumer & Business Services	Senior Secured	June 2019	Interest rate PRIME + 5.20% or Floor rate of 8.95%, PIK Interest 1.95%	\$ 18,463	18,307	15,467
Total Aria Systems, Inc.						<u>20,524</u>	<u>20,352</u>
CloudOne, Inc. <sup>(10)</sup> <sup>(14B)</sup>	Internet Consumer & Business Services	Senior Secured	April 2019	Interest rate PRIME + 6.35% or Floor rate of 9.85%	\$ 5,000	5,091	5,138
Intent Media, Inc. <sup>(13)</sup> <sup>(14A)</sup> <sup>(15)</sup>	Internet Consumer & Business Services	Senior Secured	December 2018	Interest rate PRIME + 5.25% or Floor rate of 8.75%, PIK Interest 1.00%	\$ 5,000	4,851	4,851
LogicSource <sup>(14B)</sup> <sup>(15)</sup>	Internet Consumer & Business Services	Senior Secured	October 2019	Interest rate PRIME + 6.25% or Floor rate of 9.75%	\$ 8,500	8,533	8,649
Snagajob.com, Inc. <sup>(12)</sup> <sup>(13)</sup> <sup>(14A)</sup>	Internet Consumer & Business Services	Senior Secured	July 2020	Interest rate PRIME + 5.15% or Floor rate of 9.15%, PIK Interest 1.95%	\$ 35,293	34,517	35,067
Tectura Corporation <sup>(7)</sup> <sup>(8)</sup> <sup>(13)</sup>	Internet Consumer & Business Services	Senior Secured	June 2021	Interest rate FIXED 6.00%, PIK Interest 3.00%	\$ 19,691	19,691	19,691
	Internet Consumer & Business Services	Senior Secured	June 2021	PIK Interest 8.00%	\$ 11,015	240	—
Total Tectura Corporation						<u>30,706</u>	<u>19,931</u>
<b>Subtotal: 1-5 Years Maturity</b>						<u>93,275</u>	<u>90,591</u>
<b>Subtotal: Internet Consumer &amp; Business Services (11.50%)*</b>						<u>93,275</u>	<u>90,591</u>
<b>Media/Content/Info</b>							
<b>1-5 Years Maturity</b>							
FanDuel, Inc. <sup>(14B)</sup>	Media/Content/Info	Senior Secured	November 2019	Interest rate PRIME + 7.25% or Floor rate of 10.75%	\$ 20,000	19,352	19,352
Machine Zone, Inc. <sup>(13)</sup> <sup>(16)</sup>	Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 2.50% or Floor rate of 6.75%, PIK Interest 3.00%	\$ 103,785	102,444	103,083
WP Technology, Inc. (Wattpad, Inc.) <sup>(4)</sup> <sup>(9)</sup> <sup>(11)</sup> <sup>(14B)</sup> <sup>(17)</sup>	Media/Content/Info	Senior Secured	April 2020	Interest rate PRIME + 4.75% or Floor rate of 8.25%	\$ 5,000	5,029	5,099
	Media/Content/Info	Senior Secured	April 2020	Interest rate PRIME + 4.75% or Floor rate of 8.25%	\$ 2,500	2,471	2,510
Total WP Technology, Inc. (Wattpad, Inc.)						<u>7,500</u>	<u>7,609</u>
<b>Subtotal: 1-5 Years Maturity</b>						<u>129,296</u>	<u>130,044</u>
<b>Subtotal: Media/Content/Info (16.50%)*</b>						<u>129,296</u>	<u>130,044</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>	
<b>Medical Devices &amp; Equipment</b>								
<b>Under 1 Year Maturity</b>								
InspireMD, Inc. <sup>(4) (9) (14B)</sup>	Medical Devices & Equipment	Senior Secured	June 2017	Interest rate PRIME + 5.00% or Floor rate of 10.50%	\$ 2,237	\$ 2,743	\$ 2,743	
<b>Subtotal: Under 1 Year Maturity</b>							<u>2,743</u>	<u>2,743</u>
<b>1-5 Years Maturity</b>								
Amedica Corporation <sup>(8) (14B) (15)</sup>	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.70% or Floor rate of 10.95%	\$ 7,417	8,816	8,715	
Aspire Bariatrics, Inc. <sup>(14B) (15)</sup>	Medical Devices & Equipment	Senior Secured	October 2018	Interest rate PRIME + 4.00% or Floor rate of 9.25%	\$ 5,295	5,400	5,368	
Avedro, Inc. <sup>(14A) (15)</sup>	Medical Devices & Equipment	Senior Secured	June 2018	Interest rate PRIME + 6.00% or Floor rate of 9.25%	\$ 9,777	9,975	9,982	
Flowonix Medical Incorporated <sup>(12) (14B)</sup>	Medical Devices & Equipment	Senior Secured	May 2018	Interest rate PRIME + 4.75% or Floor rate of 10.00%	\$ 10,905	11,340	11,275	
	Medical Devices & Equipment	Senior Secured	March 2019	Interest rate PRIME + 6.50% or Floor rate of 10.00%	\$ 4,255	4,243	4,214	
<b>Total Flowonix Medical Incorporated</b>						\$ 15,160	15,583	15,489
Gamma Medica, Inc. <sup>(10) (14B)</sup>	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 6.50% or Floor rate of 9.75%	\$ 2,500	2,650	2,645	
IntegenX, Inc. <sup>(14B) (15)</sup>	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%	\$ 15,000	15,068	15,168	
	Medical Devices & Equipment	Senior Secured	June 2019	Interest rate PRIME + 6.05% or Floor rate of 10.05%	\$ 1,750	1,694	1,730	
<b>Total IntegenX, Inc.</b>						\$ 16,750	16,762	16,898
Micell Technologies, Inc. <sup>(11) (14B)</sup>	Medical Devices & Equipment	Senior Secured	August 2019	Interest rate PRIME + 7.25% or Floor rate of 10.50%	\$ 8,277	8,255	8,321	
Quanta Fluid Solutions <sup>(4) (9) (10) (14B)</sup>	Medical Devices & Equipment	Senior Secured	April 2020	Interest rate PRIME + 8.05% or Floor rate of 11.55%	\$ 12,500	12,547	12,500	
Quanterix Corporation <sup>(10) (14A)</sup>	Medical Devices & Equipment	Senior Secured	February 2018	Interest rate PRIME + 2.75% or Floor rate of 8.00%	\$ 9,964	10,276	10,316	
SynergEyes, Inc. <sup>(14B) (15)</sup>	Medical Devices & Equipment	Senior Secured	January 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 2,347	2,762	2,719	
<b>Subtotal: 1-5 Years Maturity</b>							<u>93,026</u>	<u>92,953</u>
<b>Subtotal: Medical Devices &amp; Equipment (12.15%)*</b>							<u>95,769</u>	<u>95,696</u>
<b>Semiconductors</b>								
<b>Under 1 Year Maturity</b>								
Achronix Semiconductor Corporation <sup>(14B) (15) (17)</sup>	Semiconductors	Senior Secured	November 2017	Interest rate PRIME + 7.00% or Floor rate of 10.50%	\$ 1,682	1,682	1,682	
<b>Subtotal: Under 1 Year Maturity</b>							<u>1,682</u>	<u>1,682</u>
<b>1-5 Years Maturity</b>								
Achronix Semiconductor Corporation <sup>(14B) (15) (17)</sup>	Semiconductors	Senior Secured	July 2018	Interest rate PRIME + 8.25% or Floor rate of 11.50%	\$ 3,341	3,546	3,530	
Avnera Corporation <sup>(10) (14A)</sup>	Semiconductors	Senior Secured	April 2018	Interest rate PRIME + 5.25% or Floor rate of 8.50%	\$ 5,577	5,699	5,816	
<b>Subtotal: 1-5 Years Maturity</b>							<u>9,245</u>	<u>9,346</u>
<b>Subtotal: Semiconductors (1.40%)*</b>							<u>10,927</u>	<u>11,028</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Software</b>							
<b>Under 1 Year Maturity</b>							
JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.) <sup>(7)(13)(14C)(15)(18)</sup>	Software	Senior Secured	October 2016	Interest rate FIXED 5.75%, PIK Interest 10.75%	\$ 1,566	\$ 1,698	\$ 730
RedSeal Inc. <sup>(15)(17)</sup>	Software	Senior Secured	June 2017	Interest rate PRIME + 3.25% or Floor rate of 6.50%	\$ 2,635	2,635	2,635
<b>Subtotal: Under 1 Year Maturity</b>						<u>4,333</u>	<u>3,365</u>
<b>1-5 Years Maturity</b>							
Actifio, Inc. <sup>(13)(14A)</sup>	Software	Senior Secured	January 2019	Interest rate PRIME + 4.25% or Floor rate of 8.25%, PIK Interest 2.25%	\$ 30,961	30,830	30,918
	Software	Senior Secured	January 2019	Interest rate PRIME + 4.75% or Floor rate of 8.75%, PIK Interest 2.50%	\$ 10,171	9,929	10,036
<b>Total Actifio, Inc.</b>						<u>41,132</u>	<u>40,759</u>
Clickfox, Inc. <sup>(12)(14C)</sup>	Software	Senior Secured	May 2018	Interest rate PRIME + 8.00% or Floor rate of 11.50%	\$ 12,000	12,261	12,273
Cloud Technology Partners, Inc. <sup>(14A)</sup>	Software	Senior Secured	June 2018	Interest rate PRIME + 3.05% or Floor rate of 7.05%	\$ 3,000	2,966	2,966
	Software	Senior Secured	December 2019	Interest rate PRIME + 5.75% or Floor rate of 9.75%	\$ 10,000	9,863	9,863
<b>Total Cloud Technology Partners, Inc.</b>						<u>13,000</u>	<u>12,829</u>
Druva, Inc. <sup>(10)(12)(14B)(17)</sup>	Software	Senior Secured	March 2018	Interest rate PRIME + 4.60% or Floor rate of 7.85%	\$ 9,157	9,604	9,613
	Software	Senior Secured	May 2018	Interest rate PRIME + 4.60% or Floor rate of 7.85%	\$ 10,000	10,066	10,141
<b>Total Druva, Inc.</b>						<u>19,157</u>	<u>19,670</u>
Evernote Corporation <sup>(15)(17)</sup>	Software	Senior Secured	October 2020	Interest rate PRIME + 5.45% or Floor rate of 8.95%	\$ 6,000	5,961	5,961
Lithium Technologies, Inc. <sup>(13)(14A)(15)(19)</sup>	Software	Senior Secured	June 2020	Interest rate PRIME + 6.45% or Floor rate of 9.95%, PIK Interest 1.80%	\$ 25,019	24,999	24,999
JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.) <sup>(7)(13)(14A)(15)</sup>	Software	Senior Secured	March 2018	Interest rate FIXED 5.75%, PIK Interest 10.75%	\$ 13,000	12,747	5,477
Mattersight Corporation <sup>(11)(13)</sup>	Software	Senior Secured	February 2020	Interest rate PRIME + 6.25% or Floor rate of 9.75%, PIK Interest 2.15%	\$ 22,664	22,023	22,280
OneLogin, Inc. <sup>(13)(15)</sup>	Software	Senior Secured	August 2019	Interest rate PRIME + 6.45% or Floor rate of 9.95%, PIK Interest 3.25%	\$ 15,369	15,249	15,488
Quid, Inc. <sup>(13)(14A)(15)</sup>	Software	Senior Secured	October 2019	Interest rate PRIME + 4.75% or Floor rate of 8.25%, PIK Interest 2.25%	\$ 8,116	8,126	8,220
RedSeal Inc. <sup>(14A)(15)(17)</sup>	Software	Senior Secured	June 2018	Interest rate PRIME + 7.75% or Floor rate of 11.00%	\$ 5,000	5,120	5,107
	Software	Senior Secured	January 2020	Interest rate PRIME + 7.75% or Floor rate of 11.25%	\$ 5,000	4,880	4,880
<b>Total RedSeal Inc.</b>						<u>10,000</u>	<u>9,987</u>
Signpost, Inc. <sup>(13)(14A)(15)</sup>	Software	Senior Secured	February 2020	Interest rate PRIME + 4.15% or Floor rate of 8.15%, PIK Interest 1.75%	\$ 15,237	15,022	15,190
<b>Subtotal: 1-5 Years Maturity</b>						<u>199,646</u>	<u>193,412</u>
<b>Subtotal: Software (24.97%)*</b>						<u>203,979</u>	<u>196,777</u>

See notes to consolidated financial statements.



**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Maturity Date	Interest Rate and Floor	Principal Amount	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Specialty Pharmaceuticals</b>							
<b>1-5 Years Maturity</b>							
Alimera Sciences, Inc. <sup>(10) (13) (14A)</sup>	Specialty Pharmaceuticals	Senior Secured	November 2020	Interest rate PRIME + 7.50% or Floor rate of 11.00%, PIK Interest 1.00%	\$ 35,041	\$ 34,606	\$ 34,798
Jaguar Animal Health, Inc. <sup>(10) (14B)</sup>	Specialty Pharmaceuticals	Senior Secured	August 2018	Interest rate PRIME + 5.65% or Floor rate of 9.90%	\$ 3,511	3,803	3,725
<b>Subtotal: 1-5 Years Maturity</b>						<u>38,409</u>	<u>38,523</u>
<b>Subtotal: Specialty Pharmaceuticals (4.89%)*</b>						<u>38,409</u>	<u>38,523</u>
<b>Surgical Devices</b>							
<b>1-5 Years Maturity</b>							
Transmedics, Inc. <sup>(12) (14B)</sup>	Surgical Devices	Senior Secured	February 2020	Interest rate PRIME + 5.30% or Floor rate of 9.55%	\$ 8,500	8,497	8,529
<b>Subtotal: 1-5 Years Maturity</b>						<u>8,497</u>	<u>8,529</u>
<b>Subtotal: Surgical Devices (1.08%)*</b>						<u>8,497</u>	<u>8,529</u>
<b>Sustainable and Renewable Technology</b>							
<b>Under 1 Year Maturity</b>							
American Superconductor Corporation <sup>(10) (14B)</sup>	Sustainable and Renewable Technology	Senior Secured	June 2017	Interest rate PRIME + 7.25% or Floor rate of 11.00%	\$ 1,500	1,550	1,550
Modumetal, Inc. <sup>(11) (14C) (14D)</sup>	Sustainable and Renewable Technology	Senior Secured	March 2017	Interest rate PRIME + 8.70% or Floor rate of 11.95%	\$ 376	882	882
	Sustainable and Renewable Technology	Senior Secured	October 2017	Interest rate PRIME + 6.00% or Floor rate of 9.25%	\$ 3,370	4,115	4,115
<b>Total Modumetal, Inc.</b>						<u>3,746</u>	<u>4,997</u>
Stion Corporation <sup>(5) (14A)</sup>	Sustainable and Renewable Technology	Senior Secured	February 2017	Interest rate PRIME + 8.75% or Floor rate of 12.00%	\$ 333	333	333
Sungevity, Inc. <sup>(12) (14D)</sup>	Sustainable and Renewable Technology	Senior Secured	October 2017	Interest rate PRIME + 3.70% or Floor rate of 6.95%	\$ 35,000	39,834	29,709
	Sustainable and Renewable Technology	Senior Secured	October 2017	Interest rate PRIME + 3.70% or Floor rate of 6.95%	\$ 20,000	20,000	14,917
<b>Total Sungevity, Inc.</b>						<u>55,000</u>	<u>44,626</u>
<b>Subtotal: Under 1 Year Maturity</b>						<u>66,714</u>	<u>51,506</u>
<b>1-5 Years Maturity</b>							
FuelCell Energy, Inc. <sup>(11) (14B)</sup>	Sustainable and Renewable Technology	Senior Secured	October 2018	Interest rate PRIME + 5.50% or Floor rate of 9.50%	\$ 20,000	20,488	20,707
Proterra, Inc. <sup>(10) (14A) (14B)</sup>	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 6.95% or Floor rate of 10.20%	\$ 30,000	30,670	30,592
	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate PRIME + 5.75% or Floor rate of 9.25%	\$ 10,000	9,921	9,916
<b>Total Proterra, Inc.</b>						<u>40,000</u>	<u>40,508</u>
Rive Technology, Inc. <sup>(14A) (15)</sup>	Sustainable and Renewable Technology	Senior Secured	January 2019	Interest rate PRIME + 6.20% or Floor rate of 9.45%	\$ 7,500	7,586	7,650
Tendril Networks <sup>(11) (14B)</sup>	Sustainable and Renewable Technology	Senior Secured	June 2019	Interest rate FIXED 7.25%	\$ 15,000	15,405	15,324
Verdezyn, Inc. <sup>(14B) (15)</sup>	Sustainable and Renewable Technology	Senior Secured	April 2019	Interest rate PRIME + 8.25% or Floor rate of 11.75%	\$ 15,000	15,084	15,098
<b>Subtotal: 1-5 Years Maturity</b>						<u>99,154</u>	<u>99,287</u>
<b>Subtotal: Sustainable and Renewable Technology (19.14%)*</b>						<u>165,868</u>	<u>150,793</u>
<b>Total: Debt Investments (168.64%)*</b>						<u>1,384,871</u>	<u>1,328,803</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Equity Investments</b>						
<b>Biotechnology Tools</b>						
NuGEN Technologies, Inc. <sup>(15)</sup>	Biotechnology Tools	Equity	Preferred Series C	189,394	\$ 500	\$ 575
<b>Subtotal: Biotechnology Tools (0.07%)*</b>					<u>500</u>	<u>575</u>
<b>Communications &amp; Networking</b>						
Achilles Technology Management Co II, Inc. <sup>(6) (15)</sup>	Communications & Networking	Equity	Common Stock	100	4,000	3,396
GlowPoint, Inc. <sup>(3)</sup>	Communications & Networking	Equity	Common Stock	114,192	101	31
Peerless Network Holdings, Inc.	Communications & Networking	Equity	Preferred Series A	1,000,000	1,000	4,990
<b>Subtotal: Communications &amp; Networking (1.07%)*</b>					<u>5,101</u>	<u>8,417</u>
<b>Consumer &amp; Business Products</b>						
Market Force Information, Inc.	Consumer & Business Products	Equity	Common Stock	480,261	—	279
Total Market Force Information, Inc.	Consumer & Business Products	Equity	Preferred Series B-1	187,970	500	273
<b>Subtotal: Consumer &amp; Business Products (0.07%)*</b>					<u>500</u>	<u>552</u>
<b>Diagnostic</b>						
Singulex, Inc.	Diagnostic	Equity	Common Stock	937,998	750	574
<b>Subtotal: Diagnostic (0.07%)*</b>					<u>750</u>	<u>574</u>
<b>Drug Delivery</b>						
AccelRx Pharmaceuticals, Inc. <sup>(3) (9)</sup>	Drug Delivery	Equity	Common Stock	54,240	108	141
BioQ Pharma Incorporated <sup>(15)</sup>	Drug Delivery	Equity	Preferred Series D	165,000	500	542
Edge Therapeutics, Inc. <sup>(3)</sup>	Drug Delivery	Equity	Common Stock	161,856	1,000	2,023
Merrion Pharmaceuticals, Plc <sup>(4) (9)</sup>	Drug Delivery	Equity	Common Stock	20,000	9	—
Neos Therapeutics, Inc. <sup>(3) (15)</sup>	Drug Delivery	Equity	Common Stock	125,000	1,500	731
Revanca Therapeutics, Inc. <sup>(3)</sup>	Drug Delivery	Equity	Common Stock	22,765	557	472
<b>Subtotal: Drug Delivery (0.50%)*</b>					<u>3,674</u>	<u>3,909</u>
<b>Drug Discovery &amp; Development</b>						
Aveo Pharmaceuticals, Inc. <sup>(3) (9) (15)</sup>	Drug Discovery & Development	Equity	Common Stock	426,931	1,060	231
Cerecor, Inc. <sup>(3)</sup>	Drug Discovery & Development	Equity	Common Stock	119,087	1,000	105
Cerulean Pharma, Inc. <sup>(3)</sup>	Drug Discovery & Development	Equity	Common Stock	135,501	1,000	96
Dicerna Pharmaceuticals, Inc. <sup>(3) (15)</sup>	Drug Discovery & Development	Equity	Common Stock	142,858	1,000	411
Dynavax Technologies <sup>(3) (9)</sup>	Drug Discovery & Development	Equity	Common Stock	20,000	550	79
Epirus Biopharmaceuticals, Inc.	Drug Discovery & Development	Equity	Common Stock	200,000	1,000	—
Genocea Biosciences, Inc. <sup>(3)</sup>	Drug Discovery & Development	Equity	Common Stock	223,463	2,000	921
Inotek Pharmaceuticals Corporation <sup>(3)</sup>	Drug Discovery & Development	Equity	Common Stock	3,778	1,500	23
Inmed, Incorporated <sup>(3)</sup>	Drug Discovery & Development	Equity	Common Stock	70,771	1,000	936
Melinta Therapeutics	Drug Discovery & Development	Equity	Preferred Series 4	1,914,448	2,000	2,042
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) <sup>(3)</sup>	Drug Discovery & Development	Equity	Common Stock	76,362	2,743	1,175
<b>Subtotal: Drug Discovery &amp; Development (0.76%)*</b>					<u>14,853</u>	<u>6,019</u>
<b>Electronics &amp; Computer Hardware</b>						
Identiv, Inc. <sup>(3)</sup>	Electronics & Computer Hardware	Equity	Common Stock	6,700	34	21
<b>Subtotal: Electronics &amp; Computer Hardware (0.00%)*</b>					<u>34</u>	<u>21</u>
<b>Information Services</b>						
DocuSign, Inc. <sup>(15)</sup>	Information Services	Equity	Common Stock	385,000	6,081	6,081
<b>Subtotal: Information Services (0.77%)*</b>					<u>6,081</u>	<u>6,081</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Internet Consumer &amp; Business Services</b>						
Blurb, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Equity	Preferred Series B	220,653	\$ 175	\$ 197
Brigade Group, Inc. (p.k.a. Philotic, Inc.)	Internet Consumer & Business Services	Equity	Common Stock	9,023	93	—
Lightspeed POS, Inc. <sup>(4) (9)</sup>	Internet Consumer & Business Services	Equity	Preferred Series C	230,030	250	228
	Internet Consumer & Business Services	Equity	Preferred Series D	198,677	250	221
Total Lightspeed POS, Inc.				428,707	500	449
OfferUp, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Equity	Preferred Series A	286,080	1,663	1,663
	Internet Consumer & Business Services	Equity	Preferred Series A-1	108,710	632	632
Total OfferUp, Inc.				394,790	2,295	2,295
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Equity	Preferred Series G	218,351	250	431
	Internet Consumer & Business Services	Equity	Preferred Series H	87,802	250	249
Total Oportun (p.k.a. Progress Financial)				306,153	500	680
RazorGator Interactive Group, Inc.	Internet Consumer & Business Services	Equity	Preferred Series AA	34,783	15	34
Tectura Corporation	Internet Consumer & Business Services	Equity	Preferred Series BB	1,000,000	—	—
<b>Subtotal: Internet Consumer &amp; Business Services (0.46%)*</b>					<b>3,578</b>	<b>3,655</b>
<b>Media/Content/Info</b>						
Pinterest, Inc.	Media/Content/Info	Equity	Preferred Series Seed	620,000	4,085	4,085
<b>Subtotal: Media/Content/Info (0.52%)*</b>					<b>4,085</b>	<b>4,085</b>
<b>Medical Devices &amp; Equipment</b>						
AtriCure, Inc. <sup>(3) (15)</sup>	Medical Devices & Equipment	Equity	Common Stock	7,536	266	147
Flowonix Medical Incorporated	Medical Devices & Equipment	Equity	Preferred Series AA	221,893	1,500	359
Gelesis, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Equity	Common Stock	198,202	—	634
	Medical Devices & Equipment	Equity	Preferred Series A-1	191,210	425	687
	Medical Devices & Equipment	Equity	Preferred Series A-2	191,626	500	650
Total Gelesis, Inc.				581,038	925	1,971
Medrobotics Corporation <sup>(15)</sup>	Medical Devices & Equipment	Equity	Preferred Series E	136,798	250	216
	Medical Devices & Equipment	Equity	Preferred Series F	73,971	155	188
	Medical Devices & Equipment	Equity	Preferred Series G	163,934	500	514
Total Medrobotics Corporation				374,703	905	918
Optiscan Biomedical, Corp. <sup>(5) (15)</sup>	Medical Devices & Equipment	Equity	Preferred Series B	6,185,567	3,000	292
	Medical Devices & Equipment	Equity	Preferred Series C	1,927,309	655	85
	Medical Devices & Equipment	Equity	Preferred Series D	55,103,923	5,257	3,014
	Medical Devices & Equipment	Equity	Preferred Series E	13,573,546	1,136	1,138
Total Optiscan Biomedical, Corp.				76,790,345	10,048	4,529
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Equity	Preferred Series B	232,061	527	548
Quanterix Corporation	Medical Devices & Equipment	Equity	Preferred Series D	272,479	1,000	1,086
<b>Subtotal: Medical Devices &amp; Equipment (1.21%)*</b>					<b>15,171</b>	<b>9,558</b>
<b>Software</b>						
Box, Inc. <sup>(3)</sup>	Software	Equity	Common Stock	611,442	4,709	8,475
CapLinked, Inc.	Software	Equity	Preferred Series A-3	53,614	51	86
Druva, Inc.	Software	Equity	Preferred Series 2	458,841	1,000	1,288
ForeScout Technologies, Inc.	Software	Equity	Preferred Series D	319,099	398	1,725
	Software	Equity	Preferred Series E	80,587	131	440
Total ForeScout Technologies, Inc.				399,686	529	2,165
HighRoads, Inc.	Software	Equity	Common Stock	190	307	—
NewVoiceMedia Limited <sup>(4) (9)</sup>	Software	Equity	Preferred Series E	669,173	963	1,025
Palantir Technologies	Software	Equity	Preferred Series E	727,696	5,431	5,431
WildTangent, Inc. <sup>(15)</sup>	Software	Equity	Preferred Series 3	100,000	402	148
<b>Subtotal: Software (2.36%)*</b>					<b>13,392</b>	<b>18,618</b>
<b>Specialty Pharmaceuticals</b>						
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	—
<b>Subtotal: Specialty Pharmaceuticals (0.00%)*</b>					<b>750</b>	<b>—</b>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Surgical Devices</b>						
Gynesonics, Inc. <sup>(15)</sup>	Surgical Devices	Equity	Preferred Series B	219,298	\$ 250	\$ 37
	Surgical Devices	Equity	Preferred Series C	656,538	282	52
	Surgical Devices	Equity	Preferred Series D	1,991,157	712	671
	Surgical Devices	Equity	Preferred Series E	2,786,367	429	450
Total Gynesonics, Inc.				5,653,360	1,673	1,210
Transmedics, Inc.	Surgical Devices	Equity	Preferred Series B	88,961	1,100	357
	Surgical Devices	Equity	Preferred Series C	119,999	300	291
	Surgical Devices	Equity	Preferred Series D	260,000	650	912
	Surgical Devices	Equity	Preferred Series F	100,200	500	523
Total Transmedics, Inc.				569,160	2,550	2,083
<b>Subtotal: Surgical Devices (0.42%)*</b>					<b>4,223</b>	<b>3,293</b>
<b>Sustainable and Renewable Technology</b>						
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Equity	Common Stock	19,250	761	—
Glori Energy, Inc. <sup>(3)</sup>	Sustainable and Renewable Technology	Equity	Common Stock	18,208	165	1
Modumetal, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series C	3,107,520	500	533
Proterra, Inc.	Sustainable and Renewable Technology	Equity	Preferred Series 5	99,280	500	512
Sungevity, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Equity	Preferred Series D	68,807,339	6,750	—
TPI Composites, Inc. <sup>(3)</sup>	Sustainable and Renewable Technology	Equity	Common Stock	78,018	273	1,251
<b>Subtotal: Sustainable and Renewable Technology (0.29%)*</b>					<b>8,949</b>	<b>2,297</b>
<b>Total: Equity Investments (8.59%)*</b>					<b>81,641</b>	<b>67,654</b>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Warrant Investments</b>						
<b>Biotechnology Tools</b>						
Exicure, Inc.	Biotechnology Tools	Warrant	Preferred Series C	104,348	\$ 107	\$ 181
Labcyte, Inc. <sup>(15)</sup>	Biotechnology Tools	Warrant	Preferred Series C	1,127,624	323	409
<b>Subtotal: Biotechnology Tools (0.07%)*</b>					<u>430</u>	<u>590</u>
<b>Communications &amp; Networking</b>						
Intelepeer, Inc. <sup>(15)</sup>	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	14
Peerless Network Holdings, Inc.	Communications & Networking	Warrant	Preferred Series A	135,000	95	415
SkyCross, Inc. <sup>(6) (15)</sup>	Communications & Networking	Warrant	Preferred Series F	9,762,777	394	—
Spring Mobile Solutions, Inc.	Communications & Networking	Warrant	Common Stock	2,834,375	418	—
<b>Subtotal: Communications &amp; Networking (0.05%)*</b>					<u>1,219</u>	<u>429</u>
<b>Consumer &amp; Business Products</b>						
Antenna79 (p.k.a. Pong Research Corporation) <sup>(15)</sup>	Consumer & Business Products	Warrant	Common Stock	1,662,441	228	—
Intelligent Beauty, Inc. <sup>(15)</sup>	Consumer & Business Products	Warrant	Preferred Series B	190,234	230	354
IronPlanet, Inc.	Consumer & Business Products	Warrant	Preferred Series D	1,155,821	1,076	5,574
Nasty Gal <sup>(15)</sup>	Consumer & Business Products	Warrant	Preferred Series C	845,194	23	—
The Neat Company <sup>(15)</sup>	Consumer & Business Products	Warrant	Preferred Series C-1	540,540	365	—
<b>Subtotal: Consumer &amp; Business Products (0.75%)*</b>					<u>1,922</u>	<u>5,928</u>
<b>Drug Delivery</b>						
AccelRx Pharmaceuticals, Inc. <sup>(3) (9) (15)</sup>	Drug Delivery	Warrant	Common Stock	176,730	785	92
Agile Therapeutics, Inc. <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	180,274	730	269
Aprecia Pharmaceuticals Company	Drug Delivery	Warrant	Preferred Series A-1	735,981	366	242
BIND Therapeutics, Inc. <sup>(15)</sup>	Drug Delivery	Warrant	Common Stock	152,586	488	—
BioQ Pharma Incorporated	Drug Delivery	Warrant	Common Stock	459,183	1	264
Celsion Corporation <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	194,986	428	—
Dance Biopharm, Inc. <sup>(15)</sup>	Drug Delivery	Warrant	Common Stock	110,882	74	—
Edge Therapeutics, Inc. <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	78,595	390	402
Kaleo, Inc. (p.k.a. Intelliject, Inc.)	Drug Delivery	Warrant	Preferred Series B	82,500	594	391
Neos Therapeutics, Inc. <sup>(3) (15)</sup>	Drug Delivery	Warrant	Common Stock	70,833	285	17
Pulmatrix Inc. <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	25,150	116	—
ZP Opco, Inc. (p.k.a. Zosano Pharma) <sup>(3)</sup>	Drug Delivery	Warrant	Common Stock	72,379	266	—
<b>Subtotal: Drug Delivery (0.21%)*</b>					<u>4,523</u>	<u>1,677</u>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Drug Discovery &amp; Development</b>						
ADMA Biologics, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	89,750	\$ 295	\$ 43
Anthera Pharmaceuticals, Inc. <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	40,178	984	—
Auris Medical Holding, AG <sup>(3) (4) (9)</sup>	Drug Discovery & Development	Warrant	Common Stock	156,726	249	51
Aveo Pharmaceuticals, Inc. <sup>(3) (9)</sup>	Drug Discovery & Development	Warrant	Common Stock	2,069,880	396	123
Brickell Biotech, Inc.	Drug Discovery & Development	Warrant	Preferred Series C	26,086	119	139
Cerecor, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	22,328	70	—
Cerulean Pharma, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	171,901	369	14
Chroma Therapeutics, Ltd. <sup>(4) (9)</sup>	Drug Discovery & Development	Warrant	Preferred Series D	325,261	490	—
Cleveland BioLabs, Inc. <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	7,813	105	—
Concert Pharmaceuticals, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	70,796	367	56
CTI BioPharma Corp. (p.k.a. Cell Therapeutics, Inc.) <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	292,398	165	8
CytRx Corporation <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	634,146	416	78
Dicerna Pharmaceuticals, Inc. <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	200	28	—
Epirus Biopharmaceuticals, Inc.	Drug Discovery & Development	Warrant	Common Stock	64,194	276	—
Fortress Biotech, Inc. (p.k.a. Coronado Biosciences, Inc.) <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	73,009	142	13
Genocea Biosciences, Inc. <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	73,725	266	75
Immune Pharmaceuticals <sup>(3)</sup>	Drug Discovery & Development	Warrant	Common Stock	214,853	164	—
Mast Therapeutics, Inc. <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	2,272,724	203	85
Melinta Therapeutics	Drug Discovery & Development	Warrant	Preferred Series 3	1,382,323	626	295
Nanotherapeutics, Inc. <sup>(15)</sup>	Drug Discovery & Development	Warrant	Common Stock	171,389	838	767
Neotherics, Inc. (p.k.a. Lithera, Inc) <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	46,838	266	29
Neuralstem, Inc. <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	75,187	77	1
Paratek Pharmaceuticals, Inc. (p.k.a. Transcept Pharmaceuticals, Inc.) <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	69,840	152	157
PhaseRx, Inc. <sup>(3) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	63,000	125	15
Sorrento Therapeutics, Inc. <sup>(3) (9)</sup>	Drug Discovery & Development	Warrant	Common Stock	306,748	890	632
uniQure B.V. <sup>(3) (4) (9)</sup>	Drug Discovery & Development	Warrant	Common Stock	37,174	218	8
XOMA Corporation <sup>(3) (9) (15)</sup>	Drug Discovery & Development	Warrant	Common Stock	9,063	279	6
<b>Subtotal: Drug Discovery &amp; Development (0.33%)*</b>					<b>8,575</b>	<b>2,595</b>
<b>Electronics &amp; Computer Hardware</b>						
Clustrix, Inc.	Electronics & Computer Hardware	Warrant	Common Stock	50,000	12	—
Persimmon Technologies	Electronics & Computer Hardware	Warrant	Preferred Series D	63,348	40	509
<b>Subtotal: Electronics &amp; Computer Hardware (0.06%)*</b>					<b>52</b>	<b>509</b>
<b>Healthcare Services, Other</b>						
Chromadex Corporation <sup>(3) (15)</sup>	Healthcare Services, Other	Warrant	Common Stock	139,673	157	137
<b>Subtotal: Healthcare Services, Other (0.02%)*</b>					<b>157</b>	<b>137</b>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Information Services</b>						
INMOBI Inc. <sup>(4) (9)</sup>	Information Services	Warrant	Common Stock	46,874	\$ 82	\$ —
InXpo, Inc. <sup>(15)</sup>	Information Services	Warrant	Preferred Series C	648,400	98	4
	Information Services	Warrant	Preferred Series C-1	1,165,183	74	6
Total InXpo, Inc.				1,813,583	172	10
RichRelevance, Inc. <sup>(15)</sup>	Information Services	Warrant	Preferred Series E	112,612	98	—
<b>Subtotal: Information Services (0.00%)*</b>					<b>352</b>	<b>10</b>
<b>Internet Consumer &amp; Business Services</b>						
Aria Systems, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series E	239,692	73	—
Blurb, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C	234,280	636	96
CashStar, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C-2	727,272	130	24
CloudOne, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series E	968,992	19	46
Intent Media, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Common Stock	140,077	168	167
Just Fabulous, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series B	206,184	1,102	1,093
Lightspeed POS, Inc. <sup>(4) (9)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C	245,610	20	31
LogicSource <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C	79,625	30	59
Oportun (p.k.a. Progress Financial)	Internet Consumer & Business Services	Warrant	Preferred Series G	174,562	78	190
Prism Education Group, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series B	200,000	43	—
ShareThis, Inc. <sup>(15)</sup>	Internet Consumer & Business Services	Warrant	Preferred Series C	493,502	547	1
Snagajob.com, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series A	1,575,000	640	1,075
Tapjoy, Inc.	Internet Consumer & Business Services	Warrant	Preferred Series D	748,670	316	19
Tectura Corporation	Internet Consumer & Business Services	Warrant	Preferred Series B-1	253,378	51	—
<b>Subtotal: Internet Consumer &amp; Business Services (0.36%)*</b>					<b>3,853</b>	<b>2,801</b>
<b>Media/Content/Info</b>						
FanDuel, Inc.	Media/Content/Info	Warrant	Preferred Series E-1	4,648	730	682
Machine Zone, Inc. <sup>(16)</sup>	Media/Content/Info	Warrant	Common Stock	1,552,710	1,958	2,729
Rhapsody International, Inc. <sup>(15)</sup>	Media/Content/Info	Warrant	Common Stock	715,755	385	7
WP Technology, Inc. (Wattpad, Inc.) <sup>(4) (9)</sup>	Media/Content/Info	Warrant	Common Stock	127,909	1	6
Zoom Media Group, Inc.	Media/Content/Info	Warrant	Preferred Series A	1,204	348	14
<b>Subtotal: Media/Content/Info (0.44%)*</b>					<b>3,422</b>	<b>3,438</b>
<b>Medical Devices &amp; Equipment</b>						
Amedica Corporation <sup>(3) (15)</sup>	Medical Devices & Equipment	Warrant	Common Stock	103,225	459	14
Aspire Bariatrics, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series D	395,000	455	217
Avedro, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series AA	300,000	401	254
Flowonix Medical Incorporated	Medical Devices & Equipment	Warrant	Preferred Series AA	155,325	362	21
Gamma Medica, Inc.	Medical Devices & Equipment	Warrant	Preferred Series AA	450,956	170	234
Gelesis, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series A-1	74,784	78	153
InspireMD, Inc. <sup>(3) (4) (9)</sup>	Medical Devices & Equipment	Warrant	Common Stock	39,364	242	20
IntegenX, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series C	547,752	15	35
Medrobotics Corporation <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series E	455,539	370	292
Micell Technologies, Inc.	Medical Devices & Equipment	Warrant	Preferred Series D-2	84,955	262	347
NetBio, Inc.	Medical Devices & Equipment	Warrant	Preferred Series A	7,841	408	158
NinePoint Medical, Inc. <sup>(15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series A-1	587,840	170	65
Optiscan Biomedical, Corp. <sup>(5) (15)</sup>	Medical Devices & Equipment	Warrant	Preferred Series D	10,535,275	1,252	170
Outset Medical, Inc. (p.k.a. Home Dialysis Plus, Inc.)	Medical Devices & Equipment	Warrant	Preferred Series A	500,000	402	355
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	—
Strata Skin Sciences, Inc. (p.k.a. MELA Sciences, Inc.) <sup>(3)</sup>	Medical Devices & Equipment	Warrant	Common Stock	69,320	402	—
ViewRay, Inc. <sup>(3) (15)</sup>	Medical Devices & Equipment	Warrant	Common Stock	128,231	333	2
<b>Subtotal: Medical Devices &amp; Equipment (0.31%)*</b>					<b>6,149</b>	<b>2,441</b>

See notes to consolidated financial statements.

**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Semiconductors</b>						
Achronix Semiconductor Corporation <sup>(15)</sup>	Semiconductors	Warrant	Preferred Series C	360,000	\$ 160	\$ 71
	Semiconductors	Warrant	Preferred Series D-1	500,000	7	25
Total Achronix Semiconductor Corporation				860,000	167	96
Aquantia Corp.	Semiconductors	Warrant	Preferred Series G	196,831	4	88
Avnera Corporation	Semiconductors	Warrant	Preferred Series E	141,567	46	114
<b>Subtotal: Semiconductors (0.04%)*</b>					217	298
<b>Software</b>						
Actifio, Inc.	Software	Warrant	Common Stock	73,584	249	83
	Software	Warrant	Preferred Series F	31,673	343	54
Total Actifio, Inc.				105,257	592	137
Braxton Technologies, LLC	Software	Warrant	Preferred Series A	168,750	188	—
CareCloud Corporation <sup>(15)</sup>	Software	Warrant	Preferred Series B	413,433	258	488
Clickfox, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series B	1,038,563	330	63
	Software	Warrant	Preferred Series C	592,019	730	76
	Software	Warrant	Preferred Series C-A	2,218,214	230	1,604
Total Clickfox, Inc.				3,848,796	1,290	1,743
Cloud Technology Partners, Inc.	Software	Warrant	Preferred Series C	113,960	34	35
Evernote Corporation <sup>(15)</sup>	Software	Warrant	Common Stock	62,500	106	110
JumpStart Games, Inc. (p.k.a Knowledge Holdings, Inc.) <sup>(15)</sup>	Software	Warrant	Preferred Series E	614,333	16	—
Mattersight Corporation <sup>(3)</sup>	Software	Warrant	Common Stock	357,143	538	386
Message Systems, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C	503,718	334	325
Mobile Posse, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C	396,430	130	102
Neos, Inc. <sup>(15)</sup>	Software	Warrant	Common Stock	221,150	22	64
NewVoiceMedia Limited <sup>(4) (9)</sup>	Software	Warrant	Preferred Series E	225,586	33	45
OneLogin, Inc. <sup>(15)</sup>	Software	Warrant	Common Stock	228,972	150	188
Poplicus, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C	2,595,230	—	6
Quid, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series D	71,576	1	8
RedSeal Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C-Prime	640,603	66	65
Signpost, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C	324,005	314	167
Soasta, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series E	410,800	691	190
Sonian, Inc. <sup>(15)</sup>	Software	Warrant	Preferred Series C	185,949	106	105
<b>Subtotal: Software (0.53%)*</b>					4,869	4,164
<b>Specialty Pharmaceuticals</b>						
Alimera Sciences, Inc. <sup>(3)</sup>	Specialty Pharmaceuticals	Warrant	Common Stock	1,717,709	860	421
QuatRx Pharmaceuticals Company	Specialty Pharmaceuticals	Warrant	Preferred Series E	155,324	308	—
<b>Subtotal: Specialty Pharmaceuticals (0.05%)*</b>					1,168	421
<b>Surgical Devices</b>						
Gynesonics, Inc. <sup>(15)</sup>	Surgical Devices	Warrant	Preferred Series C	180,480	75	14
	Surgical Devices	Warrant	Preferred Series D	1,575,965	320	240
Total Gynesonics, Inc.				1,756,445	395	254
Transmedics, Inc.	Surgical Devices	Warrant	Preferred Series B	40,436	225	16
	Surgical Devices	Warrant	Preferred Series D	175,000	100	405
	Surgical Devices	Warrant	Preferred Series F	50,544	38	56
Total Transmedics, Inc.				265,980	363	477
<b>Subtotal: Surgical Devices (0.09%)*</b>					758	731

See notes to consolidated financial statements.



**HERCULES CAPITAL, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**  
**December 31, 2016**  
**(unaudited)**  
**(dollars in thousands)**

Portfolio Company	Sub-Industry	Type of Investment <sup>(1)</sup>	Series	Shares	Cost <sup>(2)</sup>	Value <sup>(3)</sup>
<b>Sustainable and Renewable Technology</b>						
Agrivida, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series D	471,327	\$ 120	\$ 99
Alphabet Energy, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series A	86,329	82	—
American Superconductor Corporation <sup>(3)</sup>	Sustainable and Renewable Technology	Warrant	Common Stock	58,823	39	85
Beamreach Solar (p.k.a. Solexel, Inc.) <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series C	1,171,625	1,162	—
Brightsource Energy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series I	116,666	104	—
Calera, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series C	44,529	513	—
EcoMotors, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series B	437,500	308	30
Fluidic, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series D	61,804	102	20
Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)	Sustainable and Renewable Technology	Warrant	Common Stock	530,811	181	—
	Sustainable and Renewable Technology	Warrant	Preferred Series 2-A	6,229	50	—
Total Flywheel Building Intelligence, Inc. (p.k.a. SCIEnergy, Inc.)				537,040	231	—
Fulcrum Bioenergy, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series C-1	280,897	275	201
GreatPoint Energy, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series D-1	393,212	548	—
Polyera Corporation <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series C	311,609	338	—
Proterra, Inc.	Sustainable and Renewable Technology	Warrant	Preferred Series 4	477,517	41	457
Rive Technology, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series E	234,477	12	3
Stion Corporation <sup>(5)</sup>	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	—
	Sustainable and Renewable Technology	Warrant	Preferred Series C	32,472,222	902	—
Total Sungevity, Inc.				52,472,222	1,445	—
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	219
Trilliant, Inc. <sup>(15)</sup>	Sustainable and Renewable Technology	Warrant	Preferred Series A	320,000	162	202
<b>Subtotal: Sustainable and Renewable Technology (0.17%)*</b>					<b>7,348</b>	<b>1,316</b>
<b>Total: Warrant Investments (3.49%)*</b>					<b>45,014</b>	<b>27,485</b>
<b>Total Investments in Securities (180.72%)*</b>					<b>\$ 1,511,526</b>	<b>\$ 1,423,942</b>

\* 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 \$24.7 million, \$114.5 million and \$89.8 million respectively. The tax cost of investments is \$1.5 billion.
- (3) Except for warrants in 37 publicly traded companies and common stock in 19 publicly traded companies, all investments are restricted at December 31, 2016 and were valued at fair value as determined in good faith by 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 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 December 31, 2016, and is therefore considered non-income producing. Note that at December 31, 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 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 Bank Facility (as defined in Note 4).
- (13) Denotes that all or a portion of the debt investment principal includes accumulated PIK 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 HT II 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 December 31, 2016.
- (17) Denotes that there is an unfunded contractual commitment available at the request of this portfolio company at December 31, 2016. Refer to Note 10.
- (18) Repayment of debt investment is delinquent of the contractual maturity date as of December 31, 2016.
- (19) The stated PIK interest rate may be reduced to 1.45% subject to achievement of a milestone by the portfolio company.

See notes to consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

### 1. Description of Business and Basis of Presentation

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

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

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

HT II and HT III hold approximately \$107.9 million and \$279.9 million in assets, respectively, and they accounted for approximately 5.4% and 13.9% of the Company’s total assets, respectively, prior to consolidation at September 30, 2017.

The Company also established wholly owned subsidiaries, all of which are structured as Delaware corporations and limited liability companies, to hold portfolio companies organized as limited liability companies, or LLCs (or other forms of pass-through entities). By investing through these wholly owned subsidiaries, the Company is able to benefit from the tax treatment of these entities and create a tax structure that is more advantageous with respect to the Company’s RIC status. These taxable subsidiaries are consolidated for financial reporting purposes and in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), and the portfolio investments held by these taxable subsidiaries are included in the Company’s consolidated financial statements and recorded at fair value. These taxable subsidiaries are not consolidated with Hercules for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities as a result of their ownership of certain portfolio investments.

The consolidated financial statements include the accounts of the Company, its subsidiaries and its consolidated securitization VIE. All significant inter-company accounts and transactions have been eliminated in consolidation. In accordance with Article 10 of Regulation S-X, the Company does not consolidate portfolio company investments. It is not appropriate for an investment company to consolidate a portfolio company that is not an investment company or that provides services to the Company. Rather, an investment company’s interest in portfolio companies that are not investment companies should be measured at fair value in accordance with ASC Topic 946.

The accompanying consolidated interim financial statements have been prepared in conformity with U.S. GAAP for interim financial information, and pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments consisting solely of normal recurring accruals considered necessary for the fair presentation of consolidated financial statements for the interim periods have been included. The current period’s results of operations are not necessarily indicative of results that ultimately may be achieved for the full fiscal year. Therefore, the interim unaudited consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes thereto for the period ended December 31, 2016. The year-end Consolidated Statement of Assets and Liabilities data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP.

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

## 2. Summary of Significant Accounting Policies

### *Principles of Consolidation*

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

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

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

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

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

### *Reclassification*

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

### *Valuation of Investments*

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

At September 30, 2017, approximately 89.5% of the Company's total assets represented investments in portfolio companies whose fair value is determined in good faith by the Board of Directors. Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value is as determined in good faith by the Board of Directors. The Company's investments are carried at fair value in accordance with the 1940 Act and ASC Topic 946 and measured in accordance with ASC Topic 820 ("Fair Value Measurements"). The Company's debt securities are primarily invested in venture capital-backed companies in technology-related industries including technology, drug discovery and development, biotechnology, life sciences, healthcare, and sustainable and renewable technology at all stages of development. Given the nature of lending to these types of businesses, substantially all of the Company's investments in these portfolio companies are considered Level 3 assets under ASC Topic 820 because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. As such, the Company values substantially all of its investments at fair value as determined in good faith pursuant to a consistent valuation policy by the Company's Board of Directors in accordance with the provisions of ASC Topic 820 and the 1940 Act. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments determined in good faith by its Board of Directors may differ significantly from the value that would have been used had a readily available market existed for such investments, and the differences could be material.

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

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

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

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

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

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

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

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

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

Investments measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations as of September 30, 2017 and as of December 31, 2016. The Company transfers investments in and out of Level 1, 2 and 3 as of the beginning balance sheet date, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. During the nine months ended September 30, 2017, there were no transfers between Levels 1 or 2.

(in thousands) Description	Balance September 30, 2017	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior Secured Debt	\$ 1,300,068	\$ —	\$ —	\$ 1,300,068
Preferred Stock	41,993	—	—	41,993
Common Stock	42,324	16,018	—	26,306
Warrants	32,729	—	3,520	29,209
Escrow Receivable	915	—	—	915
<b>Total</b>	<b>\$ 1,418,029</b>	<b>\$ 16,018</b>	<b>\$ 3,520</b>	<b>\$ 1,398,491</b>

(in thousands) Description	Balance December 31, 2016	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Senior Secured Debt	\$ 1,328,803	\$ —	\$ 4,825	\$ 1,323,978
Preferred Stock	39,418	—	—	39,418
Common Stock	28,236	17,271	—	10,965
Warrants	27,485	—	3,239	24,246
Escrow Receivable	1,382	—	—	1,382
<b>Total</b>	<b>\$ 1,425,324</b>	<b>\$ 17,271</b>	<b>\$ 8,064</b>	<b>\$ 1,399,989</b>

The table below presents a reconciliation for all financial assets and liabilities measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3) for the nine months ended September 30, 2017 and the year ended December 31, 2016.

(in thousands)	Balance January 1, 2017	Net Realized Gains (Losses) <sup>(1)</sup>	Net Change in Unrealized Appreciation (Depreciation) <sup>(2)</sup>	Purchases <sup>(5)</sup>	Sales	Repayments <sup>(6)</sup>	Gross Transfers into Level 3 <sup>(3)</sup>	Gross Transfers out of Level 3 <sup>(3)</sup>	Balance September 30, 2017
Senior Debt	\$ 1,323,978	\$ (24,318)	\$ 39,423	\$ 498,613	\$ —	\$ (474,957)	\$ —	\$ (62,671)	\$ 1,300,068
Preferred Stock	39,418	(7,531)	10,101	473	(468)	—	—	—	41,993
Common Stock	10,965	—	(49,532)	3,748	(1,546)	—	62,671	—	26,306
Warrants	24,246	755	9,650	1,784	(7,226)	—	—	—	29,209
Escrow Receivable	1,382	11	—	3,119	(3,597)	—	—	—	915
<b>Total</b>	<b>\$ 1,399,989</b>	<b>\$ (31,083)</b>	<b>\$ 9,642</b>	<b>\$ 507,737</b>	<b>\$ (12,837)</b>	<b>\$ (474,957)</b>	<b>\$ 62,671</b>	<b>\$ (62,671)</b>	<b>\$ 1,398,491</b>

(in thousands)	Balance January 1, 2016	Net Realized Gains (Losses) <sup>(1)</sup>	Net Change in Unrealized Appreciation (Depreciation) <sup>(2)</sup>	Purchases <sup>(5)</sup>	Sales	Repayments <sup>(6)</sup>	Gross Transfers into Level 3 <sup>(4)</sup>	Gross Transfers out of Level 3 <sup>(4)</sup>	Balance December 31, 2016
Senior Debt	\$ 1,102,396	\$ (6,968)	\$ (12,675)	\$ 687,353	\$ —	\$ (441,567)	\$ —	\$ (4,561)	\$ 1,323,978
Preferred Stock	35,245	(334)	(7,864)	13,873	(1,367)	—	626	(761)	39,418
Common Stock	1,527	—	(1,404)	6,081	—	—	4,761	—	10,965
Warrants	18,565	(116)	3,465	4,082	(1,186)	—	—	(564)	24,246
Escrow Receivable	2,967	(6)	—	2,009	(3,588)	—	—	—	1,382
<b>Total</b>	<b>\$ 1,160,700</b>	<b>\$ (7,424)</b>	<b>\$ (18,478)</b>	<b>\$ 713,398</b>	<b>\$ (6,141)</b>	<b>\$ (441,567)</b>	<b>\$ 5,387</b>	<b>\$ (5,886)</b>	<b>\$ 1,399,989</b>

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

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

(3) Transfers into Level 3 during the nine months ended September 30, 2017 relate to the conversion of the Company's debt investment in Sungevity, Inc. and a portion of the Company's debt investment in Gamma Medica, Inc. to common stock through bankruptcy transactions. Transfers out of Level 3 during the nine months ended September 30, 2017 relate to the conversion of the Company's debt investment in Sungevity, Inc. and a portion of the Company's debt investment in Gamma Medica, Inc. to common stock through bankruptcy transactions.

(4) Transfers into Level 3 during the year ended December 31, 2016 relate to the acquisition of preferred stock as a result of the exercise of warrants in Ping Identity Corporation, the conversion of debt to equity in Optiscan Biomedical Corp and Achilles Technology Management Co II, Inc. and the conversion of the Company's preferred shares to common shares in SCIEnergy, Inc. Transfers out of Level 3 during the year ended December 31, 2016 relate to the exercise of warrants in TPI Composites, Inc. and Touchcommerce, Inc. to common stock in an initial public offering, or IPO, and acquisition, respectively; the exercise of warrants in Ping Identity Corporation to preferred stock; the conversion of debt to equity in Optiscan Biomedical Corp and Achilles Technology Management Co II, Inc. and the conversion of the Company's preferred shares to common shares in SCIEnergy, Inc.

(5) Amounts listed above are inclusive of loan origination fees received at the inception of the loan which are deferred and amortized into fee income as well as the accretion of existing loan discounts and fees during the period. Escrow receivable purchases may include additions due to proceeds held in escrow from the liquidation of level 3 investments.

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

For the nine months ended September 30, 2017, approximately \$2.4 million in net unrealized appreciation and \$49.3 million in net unrealized depreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. The depreciation on common stock during the period reflects the conversion of the Company's debt investment in Sungevity, Inc. to common stock at cost through a bankruptcy transaction and subsequent depreciation to fair value. For the same period, approximately \$1.1 million in net unrealized depreciation and \$10.2 million in net unrealized appreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

For the year ended December 31, 2016, approximately \$9.1 million and \$1.4 million in net unrealized depreciation was recorded for preferred stock and common stock Level 3 investments, respectively, relating to assets still held at the reporting date. For the same period, approximately \$25.7 million in net unrealized depreciation and \$2.8 million in net unrealized appreciation was recorded for debt and warrant Level 3 investments, respectively, relating to assets still held at the reporting date.

The following tables provide quantitative information about the Company's Level 3 fair value measurements as of September 30, 2017 and December 31, 2016. In addition to the techniques and inputs noted in the tables below, according to the Company's valuation policy the Company may also use other valuation techniques and methodologies when determining the Company's fair value measurements. The tables below are not intended to be all-inclusive, but rather provide information on the significant Level 3 inputs as they relate to the Company's fair value measurements.

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

Investment Type - Level Three Debt Investments	Fair Value at September 30, 2017		Valuation Techniques/Methodologies	Unobservable Input <sup>(1)</sup>	Range	Weighted Average <sup>(2)</sup>
	(in thousands)					
Pharmaceuticals	\$ 14,794	Originated Within 6 Months	Origination Yield	13.22%		13.22%
	489,860	Market Comparable Companies	Hypothetical Market Yield	9.42% - 15.44%		12.98%
	5,100	Liquidation <sup>(3)</sup>	Premium/ (Discount)	0.00% - 0.75%		
			Probability weighting of alternative outcomes	30.00% -		
152,443	Originated Within 6 Months	Origination Yield	10.46% -			
Technology	219,760	Market Comparable Companies	Hypothetical Market Yield	17.49% 9.07% - 19.06%		11.57%
			Premium/ (Discount)	(0.25%) - 0.50%		13.68%

<p style="margin-bottom:0pt;margin-top:0pt;margin-left:0pt;;text-indent:0pt;;color:#000000;font-size:7.5pt;font-family