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

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For The Quarterly Period Ended June 30, 2016

OR

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

Commission File Number: 814-00702

HERCULES CAPITAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland 743113410 (State or Jurisdiction of (IRS Employer

Incorporation or Organization) Identification No.)

94301

400 Hamilton Ave., Suite 310 (Zip Code)

Palo Alto, California

(Address of Principal Executive Offices)

(650) 289-3060

(Registrant's Telephone Number, Including Area Code)

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

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

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

Large accelerated filer x Accelerated filer

Non-accelerated filer " Smaller reporting company " Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes " No $\,$ x

On August 1, 2016, there were 74,844,969 shares outstanding of the Registrant's common stock, \$0.001 par value.

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PART I: FINANCIAL INFORMATION

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

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS HERCULES CAPITAL, INC.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

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

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

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

See notes to consolidated financial statements.

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

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

⁽¹⁾ The Company's 2021 Asset-Backed Notes are presented net of the associated debt issuance costs for each instrument. See "Note 2 – Summary of Significant Accounting Policies" and "Note 4 – Borrowings". See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(in thousands, except per share data)

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

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Change in net assets resulting from operations per common share:				
Basic	\$0.13	\$0.03	\$0.32	\$0.35
Diluted	\$0.13	\$0.03	\$0.32	\$0.35
Weighted average shares outstanding				
Basic	72,746	71,368	71,959	67,596
Diluted	72,762	71,593	71,965	67,901
Dividend distributions declared per common share:				
Basic	\$0.31	\$0.31	\$0.62	\$0.62
See notes to consolidated financial statements.				
5				

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

(dollars and shares in thousands)

				Unrealized	A coumula	Undistribut Net Investr Income/	ment Provision for	
				Officalized	i Accumula	in Excess	Taxes	
			Capital in		on Realized	of	on	
	Commo		excess	_		ssednvestment		
Balance at December	Shares	Par Va	lu e f par valu	e on Investn	nen ts n Investr	nentacome)	Gains	Assets
31, 2014	64,715	\$ 65	\$657,233	\$ (17,076) \$ 14,079	\$ 4,905	\$ (342) \$658,864
Net increase (decrease)								
in net assets resulting from operations	_	_	_	(7,162) 2,058	29,774	_	24,670
Public offering, net of	7.501	0	100.094					100.002
offering expenses Issuance of common	7,591	8	100,084	_	_	_	_	100,092
stock due to stock option	1							
exercises	36		428	_				428
Retired shares from net								
issuance	(28) —	(423) —	_	_	_	(423)
Issuance of common								
stock under restricted								
stock plan	603	1	(1) —		<u> </u>		
Retired shares for	/F14		(2.200					(2.400)
restricted stock vesting	(514) (1) (3,399) —			_	(3,400)
Issuance of common stock as stock dividend	00		1 100					1 100
Dividend distributions	90	_	1,199	_		(42,766	_	1,199 (42,766)
Stock-based	<u> </u>	<u>—</u>	<u> </u>		<u>—</u>	(42,700) —	(42,700)
compensation (1)	_	_	5,027	_			_	5,027
Balance at June 30, 2015	5 72,493	\$ 73	\$760,148	\$ (24,238) \$ 16,137	\$ (8,087) \$ (342) \$743,691
,	, , , ,	,	, ,	, ()	, , , , , ,	, (-,	<i>y</i>	, , , , , , , ,
Balance at December 31, 2015	72,118	\$ 73	\$752,244	\$ (52,808) \$ 27,993	\$ (10,026) \$ (342) \$717,134
Net increase (decrease)	12,110	Ψ 13	Ψ 132,277	Ψ (32,000	, Ψ 21,773	ψ (10,020) ψ (3π2	, ψ/1/,134
in net assets resulting								
from operations			_	(15,238) (4,443) 43,451		23,770
•	2,201	2	23,668	<u> </u>	-	_	_	23,670

Public offering, net of offering expenses											
Acquisition of common											
stock under repurchase											
plan	(450)	(1)	(4,789)	_	_	_	_	(4,790)
Issuance of common			Ì		•						, ,
stock due to stock option											
exercises	11		—		118		_	_	<u>—</u>	_	118
Retired shares from net											
issuance			—		_		_				
Issuance of common											
stock under restricted											
stock plan	547		1		(1)	_	_	_	_	_
Retired shares for											
restricted stock vesting	(192)	_		(2,122)	_	_		_	(2,122)
Issuance of common											
stock as stock dividend	85		—		997		_	_	_	_	997
Dividend distributions	_		_		_		_	_	(45,206) —	(45,206)
Stock-based											
compensation (1)	_		—		4,224		_	_	_	_	4,224
Balance at June 30, 2016	74,320) \$	75	\$	774,339	9	68,046) \$ 23,550	\$ (11,781) \$ (342) \$717,795

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

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

Cash flows from operating activities: Net increase in net assets resulting from operations \$23,770 \$24,670 Adjustments to reconcile net increase in net assets resulting from \$23,770 \$24,670 operations to net cash provided by (used in) operating activities: \$330,750 \$373,422 Purchase of investments \$221,331 \$154,208 Proceeds from the sale of investments \$6,041 7,494 Net unrealized depreciation on investments \$15,238 7,162 Net realized loss (gain) on investments \$4,443 \$2,058 7,162 Net realized loss (gain) on investments \$3,274 \$1,542 8 Accretion of loan discounts \$3,776 \$3,412 9 Accretion of loan discounts \$3,776 \$3,412 9 Accretion of loan discount on Convertible Senior Notes \$2 123 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) \$- \$5 \$ Accretion of loan discount on Convertible Senior Notes \$- \$5 \$ Change in deferred loan origination revenue \$44 \$1,758 Unearned fees related to unf		For the Six Ended June 2016	
Net increase in net assets resulting from operations \$23,770 \$24,670 Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities: Purchase of investments (330,750) (373,422) Principal and fee payments received on investments 221,331 154,208 Proceeds from the sale of investments 6,041 7,494 Net unrealized depreciation on investments 4,443 (2,058) 7,162 Net realized loss (gain) on investments 4,443 (2,058) 8 Accretion of paid-in-kind principal (3,746) (3,412) 1 Accretion of loan discount on Convertible Senior Notes 82 123 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Accretion of loan discount on Convertible Senior Notes — (5)) Accretion of loan exit fees (10,968) (6,624)) (12,968) (6,624)) Uncarned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation	Cash flows from operating activities:		
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities: Purchase of investments		\$23,770	\$24,670
Purchase of investments (330,750) (373,422) Principal and fee payments received on investments 221,331 154,208 Proceeds from the sale of investments 6,041 7,494 Net unrealized depreciation on investments 15,238 7,162 Net realized loss (gain) on investments 4,443 (2,058) Accretion of paid-in-kind principal (3,776) (3,412) Accretion of loan discounts (3,776) (3,412) Accretion of loan discount on Convertible Senior Notes 82 123 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Accretion of loan discount on Convertible Senior Notes — 1 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) 1 1			
Principal and fee payments received on investments 221,331 154,208 Proceeds from the sale of investments 6,041 7,494 Net unrealized depreciation on investments 15,238 7,162 Net realized loss (gain) on investments 4,443 (2,058 Accretion of paid-in-kind principal (3,243) (1,584 Accretion of loan discounts (3,776) (3,412 Accretion of loan discount on Convertible Senior Notes 82 123 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Payment of loan discount on Convertible Senior Notes — 1 Accretion of loan exit fees (10,968) (6,624 Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts pay	operations to net cash provided by (used in) operating activities:		
Proceeds from the sale of investments 6,041 7,494 Net unrealized depreciation on investments 15,238 7,162 Net realized loss (gain) on investments 4,443 (2,058) Accretion of paid-in-kind principal (3,243) (1,584) Accretion of loan discounts (3,776) (3,412) Accretion of loan discount on Convertible Senior Notes 82 123 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Payment of loan discount on Convertible Senior Notes — (5) Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (410) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: (214) 2,274 Interest and fees receivable (214) 2,744 Accounts payable	Purchase of investments	(330,750)	(373,422)
Net unrealized depreciation on investments 15,238 7,162 Net realized loss (gain) on investments 4,443 (2,058 c) Accretion of paid-in-kind principal (3,243 c) (1,584 c) Accretion of loan discounts (3,776 c) (3,712 c) Accretion of loan discount on Convertible Senior Notes 82 consecution of loan discount on Convertible Senior Notes - convertible Senior Notes Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) - convertible Senior Notes - convertible Senior Notes Accretion of loan discount on Convertible Senior Notes - convertible Senior Notes - convertible Senior Notes Accretion of loan exit fees (10,968 c) (6,624 c) Change in deferred loan origination revenue (44 convertible Senior Notes) - convertible Senior Notes Uncarned fees related to untinded commitments (113 convertible Senior Notes) 1,074 convertible Senior Notes Uncarned fees related to untinded commitments (113 convertible Senior Notes) 1,074 convertible Senior Notes Uncarned fees related to untinded commitments (113 convertible Senior S	Principal and fee payments received on investments	221,331	154,208
Net realized loss (gain) on investments 4,443 (2,058) Accretion of paid-in-kind principal (3,243) (1,584) Accretion of loan discounts (3,776) (3,412) Accretion of loan discount on Convertible Senior Notes 82 123 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — (5) Payment of loan discount on Convertible Senior Notes — (5) Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) 732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows	Proceeds from the sale of investments	6,041	7,494
Accretion of paid-in-kind principal (3,243) (1,584) Accretion of loan discounts (3,776) (3,412) Accretion of loan discount on Convertible Senior Notes 82 123 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Payment of loan discount on Convertible Senior Notes — (5) Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: (214) 227 Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities: (81,900) (180,369) Cash flows from investing activities: 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: 23,670 100,092 <td>Net unrealized depreciation on investments</td> <td>15,238</td> <td>7,162</td>	Net unrealized depreciation on investments	15,238	7,162
Accretion of loan discounts (3,776) (3,412) Accretion of loan discount on Convertible Senior Notes 82 123 Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Payment of loan discount on Convertible Senior Notes — (5) Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: 23,670 100,092	Net realized loss (gain) on investments	4,443	(2,058)
Accretion of loan discount on Convertible Senior Notes Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) Payment of loan discount on Convertible Senior Notes Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants Change in operating assets and liabilities: Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable Accrued liabilities (879) 200 Net cash used in operating activities: Purchases of capital equipment (146) (80) Reduction of restricted cash Net cash provided by investing activities Issuance of common stock, net	Accretion of paid-in-kind principal	(3,243)	(1,584)
Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes) — 1 Payment of loan discount on Convertible Senior Notes — (5) Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities: Issuance of common stock, net 23,670 100,092	Accretion of loan discounts	(3,776)	(3,412)
Payment of loan discount on Convertible Senior Notes Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants Change in operating assets and liabilities: Interest and fees receivable Prepaid expenses and other assets Accounts payable Accounts payable Accrued liabilities (879) 200 Net cash used in operating activities Purchases of capital equipment (146) (80) Reduction of restricted cash S,586 850 Net cash provided by investing activities Cash flows from financing activities Suance of common stock, net 23,670 100,092	Accretion of loan discount on Convertible Senior Notes	82	123
Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: 5027 Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: (146) (80) Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: 5,440 770 Cash common stock, net 23,670 100,092	Loss on debt extinguishment (Long-Term Liabilities - Convertible Senior Notes)	_	1
Accretion of loan exit fees (10,968) (6,624) Change in deferred loan origination revenue (44) 1,758 Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: 5027 Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: (146) (80) Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: 5,440 770 Cash common stock, net 23,670 100,092	Payment of loan discount on Convertible Senior Notes	_	(5)
Unearned fees related to unfunded commitments (113) 1,074 Amortization of debt fees and issuance costs 1,839 2,669 Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: Interest and fees receivable Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: (146) (80) Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: 100,092		(10,968)	(6,624)
Amortization of debt fees and issuance costs Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants Change in operating assets and liabilities: Interest and fees receivable Prepaid expenses and other assets 4,224 5,027 Change in operating assets and liabilities: Interest and fees receivable (214 227 Prepaid expenses and other assets (9,041 2,744 Accounts payable 56 (732 Accrued liabilities (879 200 Net cash used in operating activities (81,900 Cash flows from investing activities: Purchases of capital equipment (146 (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: Issuance of common stock, net 23,670 100,092	Change in deferred loan origination revenue	(44)	1,758
Depreciation 104 111 Stock-based compensation and amortization of restricted stock grants 4,224 5,027 Change in operating assets and liabilities: Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities: Cash flows from financing activities: Issuance of common stock, net 23,670 100,092	Unearned fees related to unfunded commitments	(113)	1,074
Stock-based compensation and amortization of restricted stock grants Change in operating assets and liabilities: Interest and fees receivable Prepaid expenses and other assets Accounts payable Accounts payable Accrued liabilities Net cash used in operating activities: Purchases of capital equipment Reduction of restricted cash Net cash provided by investing activities Cash flows from financing activities: Standard Total Standard	Amortization of debt fees and issuance costs	1,839	2,669
Change in operating assets and liabilities: Interest and fees receivable Prepaid expenses and other assets Accounts payable Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash Net cash provided by investing activities Cash flows from financing activities Standard Total Cash	Depreciation	104	111
Change in operating assets and liabilities: Interest and fees receivable Prepaid expenses and other assets Accounts payable Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash Net cash provided by investing activities Cash flows from financing activities Standard Total Cash	Stock-based compensation and amortization of restricted stock grants	4,224	5,027
Interest and fees receivable (214) 227 Prepaid expenses and other assets (9,041) 2,744 Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities Cash flows from financing activities: Suance of common stock, net 23,670 100,092	•		
Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: Issuance of common stock, net 23,670 100,092		(214)	227
Accounts payable 56 (732) Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: Issuance of common stock, net 23,670 100,092	Prepaid expenses and other assets	(9,041)	2,744
Accrued liabilities (879) 200 Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: Issuance of common stock, net 23,670 100,092			
Net cash used in operating activities (81,900) (180,369) Cash flows from investing activities: Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: Issuance of common stock, net 23,670 100,092	* •	(879)	
Purchases of capital equipment (146) (80) Reduction of restricted cash 5,586 850 Net cash provided by investing activities 5,440 770 Cash flows from financing activities: Issuance of common stock, net 23,670 100,092	Net cash used in operating activities		(180,369)
Reduction of restricted cash Net cash provided by investing activities Cash flows from financing activities: Issuance of common stock, net 5,586 850 770 23,670 100,092	Cash flows from investing activities:		
Net cash provided by investing activities 5,440 770 Cash flows from financing activities: Issuance of common stock, net 23,670 100,092	Purchases of capital equipment	(146)	(80)
Net cash provided by investing activities 5,440 770 Cash flows from financing activities: Issuance of common stock, net 23,670 100,092		5,586	850
Cash flows from financing activities: Issuance of common stock, net 23,670 100,092	Net cash provided by investing activities	5,440	770
Issuance of common stock, net 23,670 100,092			
Issuance of common stock, net 23,670 100,092	Cash flows from financing activities:		
	-	23,670	100,092
	Repurchase of common stock, net	(4,790)	

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

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

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

sumer & Business Products

er 1 Year Maturity

		Type of					
folio Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Principal Amount	Cost ⁽²⁾	Valu
t Investments	Suo maasiry	TH' CSCHICHC	matarity Bate	interest reac and 1 1001	Timount	Cost	, ara
echnology Tools							
Years Maturity							
eure, Inc. ⁽¹¹⁾	Biotechnology Tools	Senior Secured	September 2019	Interest rate PRIME + 6.45%			
				or Floor rate of 9.95%	\$6,000	\$5,898	\$5,89
otal: 1-5 Years Maturit	y					5,898	5,89
otal: Biotechnology To	ols (0.82%)*					5,898	5,89
ımunications & Networ	king						
er 1 Year Maturity							
nPeak, Inc. ⁽⁷⁾	Communications & Networking	Senior Secured	April 2017	Interest rate PRIME + 8.75%			
				or Floor rate of 12.00%	\$12,370	9,134	_
otal: Under 1 Year Mat	turity					9,134	
Years Maturity							
nti Communications	Communications & Networking	Senior Secured	October 2019	Interest rate FIXED 10.00%	\$7,500	6,740	5,65
Cross, Inc. (13)(14B)(15)	Communications & Networking	Senior Secured	January 2018	Interest rate PRIME + 7.70%			
	& 1.33 33			or Floor rate of 10.95%,			
				PIK Interest 5.00%	\$16,758	16,900	_
ng Mobile Solutions,	Communications & Networking	Senior Secured	January 2019	Interest rate PRIME + 6.70%	,	,	
	<i>5</i>			or Floor rate of 9.95%	\$3,000	2,984	2,9
otal: 1-5 Years Maturit	V				7 7,333	26,624	8,6
otal: Communications	•					,	
0%)*						35,758	8,6

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enna79 (p.k.a. Pong earch	Consumer & Business	Senior Secured	November 2016	Interest rate PRIME + 6.75%			
oration) ⁽¹³⁾ (14B)(14D)(15)	Products			or Floor rate of 10.00%,			
				PIK Interest 2.50%	\$4,274	4,373	3,6
	Consumer & Business	Senior Secured	November 2016	Interest rate PRIME + 8.75%			
	Products			or Floor rate of 12.00%	\$156	156	156
l Antenna79 (p.k.a. Pon	g Research						
ooration)					\$4,430	4,529	3,8
s, Inc. (p.k.a. Fluc,	Consumer & Business	Convertible Debt	March 2017	Interest rate FIXED 4.00%			
	Products				\$100	100	
otal: Under 1 Year Matu	ırity					4,629	3,8
Years Maturity	•						
y Gal ^{(14B)(15)}	Consumer & Business	Senior Secured	May 2019	Interest rate PRIME + 5.45%			
	Products			or Floor rate of 8.95%	\$15,000	15,119	15,
ond Time Around iplify Holdings,	Consumer & Business	Senior Secured	February 2019	Interest rate PRIME + 7.25%			
(14A)(15)	Products			or Floor rate of 10.75%	\$2,500	2,490	2,43
otal: 1-5 Years Maturity						17,609	17,
otal: Consumer & Busin	ess Products						
9%)*						22,238	21,

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

		Type of			D		
Portfolio Company	Sub-Industry	Investment ⁽¹⁾	Maturity Date		Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
Orug Delivery							
Inder 1 Year Maturity							
Celsion Corporation ^{(10)(14A)}	Drug Delivery	Senior Secured	June 2017	Interest rate PRIME + 8.00%			
	2 5			or Floor rate of 11.25%	\$4,355	\$4,616	\$4,616
ubtotal: Under 1 Year M	I aturity				,	4,616	4,616
-5 Years Maturity	, in the second						
celRx Pharmaceuticals,	Drug Delivery	Senior Secured	October 2017	Interest rate PRIME + 3.85%			
				or Floor rate of 9.10%	\$20,466	21,059	21,002
Agile Therapeutics, nc. ^{(10)(14A)}	Drug Delivery	Senior Secured	December 2018	Interest rate PRIME + 4.75%			
				or Floor rate of 9.00%	\$16,500	16,465	16,382
precia Pharmaceuticals Company ^(14A)	Drug Delivery	Senior Secured	January 2020	Interest rate PRIME + 5.75%			
				or Floor rate of 9.25%	\$20,000	19,415	19,415
SIND Therapeutics, nc. ^{(14B)(15)}	Drug Delivery	Senior Secured	July 2018	Interest rate PRIME + 5.10%			
				or Floor rate of 8.35%	\$8,345	8,820	8,820
BioQ Pharma ncorporated ^{(10)(14A)(14B)}	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 8.00%			
				or Floor rate of 11.25%	\$10,000	10,296	10,166
	Drug Delivery	Senior Secured	May 2018	Interest rate PRIME + 7.00%			
				or Floor rate of 10.25%	\$3,000	3,006	2,990
otal BioQ Pharma Incor	porated				\$13,000	13,302	13,156
Celator Pharmaceuticals, nc. ^{(10)(14A)}	Drug Delivery	Senior Secured	June 2018	Interest rate PRIME + 6.50%			
				or Floor rate of 9.75%	\$12,839	12,975	12,975
Dance Biopharm, nc. ^{(7)(14A)(15)}	Drug Delivery	Senior Secured	November 2017	Interest rate PRIME + 7.40%			
					\$2,165	2,275	1,000
ldge Therapeutics, nc. ^{(10)(14A)}	Drug Delivery	Senior Secured	March 2018	Interest rate PRIME + 5.45%	\$4,359	4,376	4,389

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

See notes to consolidated financial statements.

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CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

		Type of					
		~ (1)			Principal	~ (2)	(2)
Portfolio Company	· · · · · · · · · · · · · · · · · · ·	Investment ⁽¹⁾	Maturity Date	Interest Rate and Floor	Amount	Cost ⁽²⁾	Value ⁽³⁾
Drug Discovery & Devel	lopment						
Under 1 Year Maturity	D	C :	A :1.0017	I DDIME C 75 C			
Neuralstem, Inc. (14A)(15)	_	Senior	April 2017	Interest rate PRIME + 6.75%			
	Discovery & Development	Secured		or Floor rate of 10.00%	\$6,109	\$6,278	\$6,278
Subtotal: Under 1 Year N				Of F1001 Tate 01 10.00%	\$0,109	6,278	6,278
1-5 Years Maturity	viaturity					0,270	0,270
Aveo Pharmaceuticals,	Drug	Senior	December 2019	Interest rate PRIME + 6.65%			
Inc. (9)(14A)(14B)	Discovery &	Secured	December 2015	Interest rate Francisco Fr			
	Development	5 6 6 5 5 5 5 5		or Floor rate of 11.90%	\$10,000	10,202	10,101
	Drug	Senior	December 2019	Interest rate PRIME + 6.90%			
	Discovery &	Secured					
	Development			or Floor rate of 11.90%	\$5,000	4,871	4,871
Total Aveo Pharmaceution	cals, Inc.				\$15,000	15,073	14,972
Bellicum	Drug	Senior	March 2020	Interest rate PRIME + 5.85%			
Pharmaceuticals,	Discovery &	Secured					
Inc. ^{(14B)(15)(17)}	Development			or Floor rate of 9.35%	\$15,000	14,995	14,995
Brickell Biotech,	Drug	Senior	September 2019	Interest rate PRIME + 5.70%			
Inc. ^{(11)(14A)}	Discovery &	Secured		50.000	*= 500	7.005	7.047
~ (11)(1/A)	Development	~ :	. 2017	or Floor rate of 9.20%	\$7,500	7,385	7,347
Cerecor, Inc. ^{(11)(14A)}	Drug	Senior	August 2017	Interest rate PRIME + 4.70%			
	Discovery &	Secured		The servets of 7.050	¢ 1 065	1 124	4 100
Cerulean Pharma,	Development Drug	Senior	July 2018	or Floor rate of 7.95% Interest rate PRIME + 1.55%	\$4,065	4,134	4,182
Lnc. ^{(12)(14B)}	Drug Discovery &	Secured	July 2016	Interest rate PKIME + 1.3570			
IIIC.(/(/	Discovery & Development	Secured		or Floor rate of 7.30%	\$17,112	17,660	17,558
CTI BioPharma Corp.	Drug	Senior	December 2018	Interest rate PRIME + 7.70%	Φ1/,112	17,000	17,550
(p.k.a. Cell	Discovery &	Secured	December 2010	Interest rate 1 Kilvilla 1 7.7070			
Therapeutics,	Development	Becarea		or Floor rate of 10.95%			
Inc.) $^{(10)(14A)}$	20r			0. 2.00	\$23,236	23,940	24,063
CytRx	Drug	Senior	February 2020	Interest rate PRIME + 6.00%			
Corporation ^{(10)(14B)(15)}	•	Secured	•				
	Development			or Floor rate of 9.50%	\$25,000	24,643	24,643
			April 2018	Interest rate PRIME + 4.70%	\$5,296	5,579	1,750

Epirus Biopharmaceuticals, Inc. ^{(7)(12)(14A)}	Drug Discovery & Development	Senior Secured		or Floor rate of 7.95%			
Genocea Biosciences, Inc. ^{(10)(14A)(17)}	Drug Discovery &	Senior Secured	January 2019	Interest rate PRIME + 2.25%			
	Development			or Floor rate of 7.25%	\$17,000	17,156	17,152
Immune Pharmaceuticals ^{(10)(14B)}	Drug Discovery &	Senior Secured	September 2018	Interest rate PRIME + 4.75%		1.004	2.504
,	Development		7 2010		\$4,101	4,084	2,584
Insmed, Incorporated ^{(10)(14A)}	•	Senior Secured	January 2018	Interest rate PRIME + 4.75% or Floor rate of 9.25%		24 015	24.758
Last Thomosoutice	Development	Senior	January 2010	or Floor rate of 9.25% Interest rate PRIME + 5.70%	\$25,000	24,815	24,758
Mast Therapeutics, Inc. ^{(14A)(15)}	Drug Discovery &	Secured	January 2019	or Floor rate of 8.95%		15.013	14.002
Melinta	Development Drug	Senior	June 2018	Interest rate PRIME + 3.75%	\$15,000	15,013	14,992
Therapeutics ^{(12)(14A)}	Discovery &	Secured	Julie 2016				
	Development			or Floor rate of 8.25%	\$30,000	30,181	30,110
Merrimack Pharmaceuticals, Inc. ⁽⁹⁾	•	Senior Secured	December 2022	Interest rate FIXED 11.50%			
	Development		2010	- DDD 4E - E 7EM	\$25,000	25,000	25,149
Neothetics, Inc. (p.k.a. Lithera, Inc) ^{(14A)(15)}	Drug Discovery &	Senior Secured	January 2018	Interest rate PRIME + 5.75%			
	Development		2020	or Floor rate of 9.00%	\$4,000	4,160	4,153
Paratek Pharmaceuticals,	•	Senior Secured	September 2020	Interest rate PRIME + 2.75%		- 0.50	275
Inc. ^(14A) (15)(17) PhaseRx,Inc. ^(14B) (15)	Development Drug	Senior	December 2019	or Floor rate of 8.50% Interest rate PRIME + 5.75%	\$20,000	19,959	19,975
	Discovery &	Secured		22.350	200		
	Development		3.6 2020	or Floor rate of 9.25%	\$6,000	5,814	5,814
uniQure B.V. ^{(4)(9)(10)(14B)}	Drug Discovery &	Senior Secured	May 2020	Interest rate PRIME + 3.00%		10.010	10.506
	Development		~ 1 = 2010		\$20,000	19,918	19,736
XOMA Corporation ^{(9)(14B)(15)}	Discovery &		September 2018	Interest rate PRIME + 2.15%			
	Development			or Floor rate of 9.40%	\$20,000	20,290	20,175
Subtotal: 1-5 Years Matu	· · · · · · · · · · · · · · · · · · ·					299,799	294,108
Subtotal: Drug Discovery Development (41.85%)*	•					306,077	300,386
Electronics & Computer 1-5 Years Maturity	Hardware						
Persimmon	Electronics &	Senior	June 2019	Interest rate PRIME + 7.50%			
Technologies ^{(11)(14B)}	Computer Hardware	Secured	June 2017		\$7,000	6,986	6,925
Subtotal: 1-5 Years Matu				Of Proof rate of Triou to	\$ 1,000	6,986	6,925
Subtotal: Electronics & (· · · · · · · · · · · · · · · · · · ·					0,200	0,725
0 400 (2 11111 = 211	John F						

Hardware (0.96%)*

6,925

6,986

Healthcare Services, Other

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

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2016

(unaudited)

ı		Type of					
ertfolio Company	Sub-Industry	Investment(1)	Maturity Date		Principal Amount	Cost ⁽²⁾	Value ⁽³⁾
rtfolio Company ernet Consumer & 1	ž – – – – – – – – – – – – – – – – – – –	IIIVESTIICHT	Maturity Date	Illutest Nate and Pioor	Alliount	Cost	v aluc.
nder 1 Year Maturity							
	Internet Consumer	Convertible	September 2016	Interest rate FIXED 10.00%			
	& Business	Debt	T				
	Services				\$381	\$373	\$—
	Internet Consumer	Senior	April 2016	Interest rate FIXED 10.00%			ŗ
	& Business	Secured					,
	Services				\$44	44	
tal NetPlenish	3.7				\$425	417	_
btotal: Under 1 Yea	ar Maturity					417	
5 Years Maturity	Totament Consumor	Carion	I 2010	Totalist make DDIME 1 2 200%			
ia Systems, c. ⁽¹⁰⁾⁽¹³⁾	Internet Consumer & Business	Senior Secured	June 2019	Interest rate PRIME + 3.20%			ŗ
j.(10)(10)	& Business Services	Secured		or Floor rate of 6.95%,			ŗ
I	SCIVICCS			of Figure of 0.75 %,			ŗ
I				PIK Interest 1.95%	\$2,041	2,020	1,977
	Internet Consumer	Senior	June 2019	Interest rate PRIME + 5.20%		,.	
	& Business	Secured					
	Services			or Floor rate of 8.95%,			
				PIK Interest 1.95%	\$18,282	18,076	17,719
tal Aria Systems,						006	: 5 . 60. 6
3.	- 2	~ .			\$20,323	20,096	19,696
oudOne, c. ^{(10)(14B)}		Senior	April 2019	Interest rate PRIME + 6.35%			
5.(10)(140)	& Business	Secured		Elegante of 0.95%	¢ 5,000	4.070	4.070
gicSource ^{(14B)(15)}	Services Internet Consumer	Senior	October 2019	or Floor rate of 9.85% Interest rate PRIME + 6.25%	\$5,000	4,979	4,979
glesource	& Business	Secured	OCTOBEL 2019	Interest fate Frivill + 0.45 /0]
1	Services	Secured		or Floor rate of 9.75%	\$8,500	8,423	8,423
ne Planet Ops Inc.	Internet Consumer	Senior	March 2019	Interest rate PRIME + 4.25%		0,723	0,120
k.a. Reply! Inc.)	& Business	Secured	Transii = 5 = 5	THEOLOGIC TARGET T.			
1 5	Services			or Floor rate of 7.50%	\$5,464	5,102	5,102
achLocal ^{(12)(14B)}	Internet Consumer	Senior	April 2018	Interest rate PRIME + 8.50%		25,407	25,407
İ	& Business	Secured	•				
•							

Services			or Floor rate of 11.75%			
Internet Consumer & Business	Senior Secured	July 2020	Interest rate PRIME + 5.15%			
Services			or Floor rate of 9.15%,			
			PIK Interest 1.95%	\$35,000	33,977	33,977
Internet Consumer & Business	Senior Secured	June 2021	Interest rate FIXED 6.00%,			
Services			PIK Interest 3.00%	\$19,401	19,401	19,401
Internet Consumer & Business	Senior Secured	June 2021	PIK Interest 8.00%			
Services				\$11,015	240	—
				\$30,416	19,641	19,401
aturity					117,625	116,98
sumer & Business					118,042	116,98
Media/Content/Info	Senior Secured	May 2018	Interest rate PRIME + 2.50%			
			or Floor rate of 6.75%,			
			PIK Interest 3.00%	\$102.216	100.402	99,938
Media/Content/Info	Senior Secured	April 2020	Interest rate PRIME + 4.75%	, , , , , , , , , , , , , , , , , , , ,	30,103	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
			or Floor rate of 8.25%	\$5,000	4,971	4,971
aturity					105,373	104,90
ent/Info (14.62%)*					105,373	104,90
	Internet Consumer & Business Services Internet Consumer & Business Services Internet Consumer & Business Services atturity sumer & Business Media/Content/Info Media/Content/Info	Internet Consumer & Business Services Internet Consumer & Business Secured Services Internet Consumer & Senior Secured Services Internet Consumer & Business Secured Services Internet Consumer & Senior Secured Services Internet Consumer & Senior Secured Services Internet Consumer & Senior Secured Services Internet Consumer Senior Secured Services Internet Consumer Senior Secured Services	Internet Consumer & Business Secured Internet Consumer & Senior Secured Internet Consumer & Senior Secured Services Internet Consumer Senior June 2021 & Business Secured Services Internet Consumer Senior June 2021 & Business Secured Services Media/Content/Info Senior Secured Media/Content/Info Senior Secured Media/Content/Info Senior Secured Media/Content/Info Senior Secured Internet Consumer Senior June 2021 Internet Consumer & Business Secured Services Secured Services or Floor rate of 9.15%, PIK Interest 1.95% Internet Consumer & Senior & June 2021 & Interest rate FIXED 6.00%, & Business & Secured Services & PIK Interest 3.00% Internet Consumer & Senior & June 2021 & PIK Interest 8.00% Business & Secured & Secured Services & Secured Services & PIK Interest 8.00% Media/Content/Info Senior & May 2018 & Interest rate PRIME + 2.50% Secured & Or Floor rate of 6.75%, PIK Interest 3.00% Interest rate PRIME + 2.50% PIK Interest 7.00% PIK Interest 7.00% Interest rate PRIME + 2.50% Secured Or Floor rate of 6.75%, PIK Interest 3.00% Interest rate PRIME + 4.75% PIK Interest 3.00% Interest rate PRIME + 4.75% PIK Interest 7.00% PIK In	Internet Consumer & Business Services Services Secured Services Secured Services Internet Consumer & Business Secured Services Internet Consumer & Senior & June 2021 Services Services Services Services Internet Consumer & Senior & June 2021 Interest rate FIXED 6.00%, PIK Interest 3.00% \$19,401 PIK Interest 8.00% \$11,015 \$30,416 atturity sumer & Business Media/Content/Info Senior Secured May 2018 Interest rate PRIME + 2.50% or Floor rate of 6.75%, PIK Interest 3.00% \$102,216 Interest rate PRIME + 4.75% or Floor rate of 8.25% \$5,000 atturity	Internet Consumer & Business Secured Services Secured Services Secured Services Secured Services Secured Services Secured Services PIK Interest 1.95% \$35,000 33,977	

See notes to consolidated financial statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS