

September 25, 2013

Hercules Technology Growth Capital Announces Quarter-to-Date Portfolio Update for Q3 2013

- **18 Announced or Completed Liquidity Events Quarter-to-Date Q3 2013**
- **3 Portfolio Companies Currently in IPO Registration**
- **Quarter-to-date Q3 2013 Closed Commitments of ~\$57.0 million**
- **Quarter-to-date Q3 2013 Unscheduled Early Repayments of ~\$93.0 million**
- **Year-to-date 2013 Closed Commitments of ~\$534.0 million**

PALO ALTO, Calif.--(BUSINESS WIRE)-- [Hercules Technology Growth Capital, Inc.](http://www.herculeshtgc.com) (NYSE: HTGC), the leading specialty finance company focused on providing senior secured loans to venture capital-backed companies in technology-related markets, including technology, biotechnology, life science, and energy and renewables technology industries, at all stages of development, today announced its quarter-to-date Q3 2013 portfolio update.

"Quarter-to-date, eighteen of Hercules' portfolio companies have announced or completed liquidity events, a record number of liquidity events for our portfolio as compared to any quarter since inception. We believe this reflects our investment team's success with identifying trends in the venture capital marketplace and illustrates the value of our warrant and equity portfolio," said Manuel A. Henriquez, Hercules co-founder, chairman and chief executive officer.

"As anticipated, we've experienced a high level of early repayments quarter-to-date during what is a typically seasonally slow quarter for origination activities." He continued, "Looking forward, we believe we have a solid balance sheet, and ample liquidity to grow our investment portfolio of America's most innovative and highly disruptive venture capital-backed companies and continue to increase earnings and dividend growth for our shareholders in 2014."

New Originations for Quarter-to-Date Q3 2013:

As of September 23, 2013, Hercules has originated approximately \$56.8 million of debt and equity commitments to new and existing portfolio companies.

Hercules has made new commitments to the following three companies, assisting in their future growth and development.

- **\$35.0 million commitment to JustFab**, a lifestyle fashion company that offers an engaging and personalized shopping experience through its portfolio of brands.
- **\$10.0 million commitment to Fluidic Energy**, a company dedicated to the development and commercialization of high-performance, cost-effective, clean and sustainable energy storage products.
- **\$5.0 million commitment to SiTime Corporation**, a fast-growing semiconductor company that offers silicon MEMS-based oscillators and clock generators that are rapidly replacing legacy quartz products by offering higher performance and reliability at a lower cost.

In addition, Hercules provided approximately \$6.8 million of debt and equity commitments and renewals to existing portfolio companies.

It is important to note that certain commitments may expire without being drawn upon, and commitments do not necessarily represent future cash requirements or future earning assets for Hercules. Our commitments may include conditions, such as reaching certain milestones, before the Hercules debt commitment would become available. Hercules is instituting more funding or performance based milestone requirements to mitigate risk which will affect our actual funding levels.

Principal Repayments:

As of September 23, 2013, Hercules received approximately \$123.4 million in principal repayments, of which approximately \$93.1 million were unscheduled early repayments.

Portfolio Company Liquidity Events for Quarter-to-Date Q3 2013:

Quarter-to-date, eighteen (18) Hercules portfolio companies have announced or completed liquidity events, such as an IPO or M&A event.

M&A

As previously reported, AstraZeneca completed its acquisition of Hercules' portfolio company **Omthera Pharmaceuticals** (NASDAQ: OMTB) in July for a total transaction value of approximately \$443.0 million. Hercules sold its entire warrant investments held in Omthera Pharmaceuticals for a net gain of approximately \$281,000 that was realized in the third quarter. Hercules realized a gross warrant multiple of 2.3x on the total investment in Omthera Pharmaceuticals.

As previously reported, the National Rural Telecommunications Cooperative (NRTC) completed its acquisition of Hercules' portfolio company **NeoNova** in July.

As previously reported, Dialog Semiconductor PLC (GR: DLG) completed its acquisition of Hercules' portfolio company **iWatt, Inc.** in July for a total transaction value of approximately \$345.0 million. Hercules sold its entire warrant and equity investment held in portfolio company iWatt for a net gain of approximately \$4.7 million that was realized in the third quarter. \$560,000 of the net gain is being held in escrow. Hercules realized a gross warrant multiple of 5.3x and an internal rate of return of 30.1 percent (excluding proceeds in escrow) on the total investment in iWatt, Inc.

As previously reported, Hercules' portfolio company **NeurogesX, Inc.** (OTCQB: NGSX) completed the sale of certain of its assets to Acorda Therapeutics, Inc. ("Acorda") in July. In connection with the closing of the Acorda Sale, other assets of NeurogesX, Inc. were sold in an Article 9 sale process. The combination of the Acorda Sale and Article 9 sale resulted in the sale of substantially all of the assets of NeurogesX, Inc.

As previously reported, ArthroCare Corp. (NASDAQ: ARTC) acquired Hercules' portfolio company **ENTrigue Surgical, Inc.** in July. ArthroCare paid \$45.0 million in cash, subject to customary working capital adjustments and an amount held in escrow for indemnification. In addition, the previous shareholders of ENTrigue will have the right to receive contingent consideration for each of the next five years.

As previously reported, CommScope completed its acquisition of Hercules' portfolio company **Redwood Systems, Inc.** in July.

As previously reported, U.K.-based BTG closed its acquisition of Hercules' portfolio company **EKOS Corporation** in July in a transaction valued at approximately \$180.0 million, of which up to \$40.0 million is subject to milestones.

As previously reported, MedImpact Healthcare Systems, Inc. closed its acquisition of Hercules' portfolio company **ScriptSave** in August.

As previously reported, Nippon Telegraph completed its acquisition of Hercules' portfolio company **Solutionary, Inc.** in August. Hercules sold its entire warrant and equity investments held in Solutionary, Inc. for a net gain of approximately \$308,000 that was realized in the third quarter. Hercules realized a gross warrant multiple of 1.7x and an internal rate of return of approximately 24.2 percent (excluding proceeds in escrow) on the total investment in Solutionary, Inc.

In August, Software AG acquired Hercules' portfolio company **JackBe Corp.** Financial terms were not disclosed.

In August, TNCl Operating Company LLC, an entity formed by Garrison Investment Group ("Garrison") and Blue Casa Telephone, announced it has entered into an agreement to acquire Hercules' portfolio company **Unipoint Holdings (UPH)**. The transaction is subject to customary closing conditions.

In August, Cumulus Media Inc. (NASDAQ: CMLS) announced plans to acquire Hercules' portfolio company **Dial Global, Inc.** for \$260.0 million in cash. The transaction is subject to customary closing conditions.

As previously reported, Lightera Corporation closed its acquisition of Hercules' portfolio company **Luminus Devices, Inc.** in September. The financial terms of the transaction were not disclosed.

In September, Western Digital Corp (NASDAQ: WDC) and Hercules' portfolio company **Virident Systems, Inc.** entered into a definitive merger agreement under which Virident will be acquired by HGST, a wholly owned subsidiary of Western Digital. Virident will be acquired for approximately \$685.0 million in cash. The transaction is subject to customary closing conditions.

In September, SAP AG (NYSE: SAP) announced plans to acquire Hercules' portfolio company **KXEN**. Financial terms were not disclosed and the transaction is expected to close in the fourth quarter of 2013. The transaction is subject to customary closing

conditions.

In September, EnerSys (NYSE: ENS) announced that it has entered into an agreement to acquire Hercules' portfolio company **Purcell Systems, Inc.** for \$115.0 million. The transaction is subject to customary closing conditions.

There can be no assurances that these companies will complete their respective mergers and acquisitions in a timely manner or at all.

Completed IPOs

Quarter-to-date, two (2) of Hercules' portfolio companies completed an IPO:

- In September 2013, **Acceleron Pharma, Inc.**, completed its initial public offering and its shares are trading on the NASDAQ under the symbol ("XLRN").
- In September 2013, **BIND Therapeutics, Inc.**, completed its initial public offering and its shares are trading on the NASDAQ under the symbol ("BIND").

Current Companies in IPO Registration:

As of September 23, 2013, Hercules had warrant positions in three (3) portfolio companies that had filed Form S-1 Registration Statements in contemplation of a potential IPO:

1. ADMA Biologics, Inc.
2. One company filed a Form S-1 Registration confidentially under the Jobs Act
3. One company filed a Form S-1 Registration confidentially under the Jobs Act

There can be no assurances that these companies will complete their IPOs in a timely manner or at all.

About Hercules Technology Growth Capital, Inc.:

Hercules Technology Growth Capital, Inc. (NYSE: HTGC) is the leading specialty finance company focused on providing senior secured loans to venture capital-backed companies in technology-related markets, including technology, biotechnology, life science, and energy and renewables technology industries, at all stages of development. Since inception (December 2003), Hercules has committed more than \$3.9 billion to over 250 companies and is the lender of choice for entrepreneurs and venture capital firms seeking growth capital financing.

Hercules' common stock trades on the New York Stock Exchange under the ticker symbol "HTGC."

In addition, Hercules has two outstanding bond issuances of 7.00 percent Senior Notes due 2019—the April 2019 Notes and September 2019 Notes—which trade on the NYSE under the symbols "HTGZ" and "HTGY," respectively.

Companies interested in learning more about financing opportunities should contact info@htgc.com, or call 650.289.3060.

Forward-Looking Statements:

Statements in this press release may constitute forward-looking statements for purposes of the safe harbor protection under applicable securities laws. Forward-looking statements can be identified by terminology such as "anticipate," "believe," "could," "estimate," "expect," "intend," "is planned," "may," "should," "will," "will enable," "would be expected," "look forward," "may provide," "would" or similar terms, variations of such terms or the negative of those terms. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including, without limitation, those risks, uncertainties and factors referred to in the "Risk Factors" section of the Hercules Annual Report on Form 10-K for the year ended December 31, 2012, as well as the other documents and reports filed by Hercules with the Securities Exchange Commission. As a result of such risks, uncertainties and factors, actual results may differ materially from any future results, performance or achievements discussed in or implied by the forward-looking statements contained herein. Hercules is providing the information in this press release as of this date and assumes no obligations to update the information included in this press release or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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