

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024

OR

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

FOR THE TRANSITION PERIOD FROM \_\_\_\_ TO

COMMISSION FILE NUMBER: 814-00802

**HORIZON TECHNOLOGY FINANCE CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

312 Farmington Avenue  
Farmington, CT

(Address of principal executive offices)

27-2114934

(I.R.S. Employer Identification No.)

06032

(Zip Code)

(860) 676-8654

(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 period 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 every Interactive Data File required to be submitted 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 such files). Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" 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 any 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

The number of shares of the registrant's common stock traded under the symbol "HRZN" on the Nasdaq Global Select Market, \$0.001 par value per share, outstanding as of April 30, 2024 was 35,020,774.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	HRZN	The Nasdaq Stock Market LLC
4.875% Notes due 2026	HTFB	The New York Stock Exchange
6.25% Notes due 2027	HTFC	The New York Stock Exchange

## HORIZON TECHNOLOGY FINANCE CORPORATION

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**PART I: FINANCIAL INFORMATION****Item 1. Consolidated Financial Statements****Horizon Technology Finance Corporation and Subsidiaries****Consolidated Statements of Assets and Liabilities  
(Dollars in thousands, except share and per share data)**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>(Unaudited)</b>	
<b>Assets</b>		
Non-affiliate investments at fair value (cost of \$721,456 and \$716,077, respectively)	\$ 684,895	\$ 693,730
Non-controlled affiliate investments at fair value (cost of \$28,689 and \$28,677, respectively) (Note 5)	12,577	1,132
Controlled affiliate investments at fair value (cost of \$15,028 and \$14,428, respectively) (Note 5)	13,644	14,223
<b>Total investments at fair value (cost of \$765,173 and \$759,182, respectively) (Note 4)</b>	<b>711,116</b>	<b>709,085</b>
Cash	46,921	46,630
Investments in money market funds	21,879	26,450
Restricted investments in money market funds	2,533	2,642
Interest receivable	16,579	13,926
Other assets	3,260	3,623
<b>Total assets</b>	<b>\$ 802,288</b>	<b>\$ 802,356</b>
<b>Liabilities</b>		
Borrowings (Note 7)	\$ 452,490	\$ 462,235
Distributions payable	13,099	11,011
Base management fee payable (Note 3)	1,058	1,052
Incentive fee payable (Note 3)	295	—
Other accrued expenses	3,225	4,077
<b>Total liabilities</b>	<b>470,167</b>	<b>478,375</b>
Commitments and contingencies (Notes 3 and 8)		
<b>Net assets</b>		
Preferred stock, par value \$0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Common stock, par value \$0.001 per share, 100,000,000 shares authorized, 34,637,343 and 33,534,854 shares issued and 34,469,878 and 33,367,389 shares outstanding as of March 31, 2024 and December 31, 2023, respectively	37	36
Paid-in capital in excess of par	463,539	450,949
Distributable loss	(131,455)	(127,004)
<b>Total net assets</b>	<b>332,121</b>	<b>323,981</b>
<b>Total liabilities and net assets</b>	<b>\$ 802,288</b>	<b>\$ 802,356</b>
<b>Net asset value per common share</b>	<b>\$ 9.64</b>	<b>\$ 9.71</b>

See Notes to Consolidated Financial Statements

## Horizon Technology Finance Corporation and Subsidiaries

**Consolidated Statements of Operations (Unaudited)**  
(Dollars in thousands, except share and per share data)

	For the Three Months Ended March 31,	
	2024	2023
<b>Investment income</b>		
From non-affiliate investments:		
Interest income	\$ 24,468	\$ 26,195
Fee income	268	638
Payment-in-kind interest income	1,216	1,204
From controlled affiliate investments:		
Interest income	11	—
Payment-in-kind interest income	166	—
<b>Total investment income</b>	<u>26,129</u>	<u>28,037</u>
<b>Expenses</b>		
Interest expense	8,161	7,120
Base management fee (Note 3)	3,162	3,201
Performance based incentive fee (Note 3)	295	2,978
Administrative fee (Note 3)	433	440
Professional fees	665	658
General and administrative	429	445
<b>Total expenses</b>	<u>13,145</u>	<u>14,842</u>
<b>Net investment income before excise tax</b>	<u>12,984</u>	<u>13,195</u>
Provision for excise tax	379	184
<b>Net investment income</b>	<u>12,605</u>	<u>13,011</u>
<b>Net realized and unrealized loss</b>		
Net realized gain (loss) on non-affiliate investments	11	(168)
Net realized loss on non-controlled affiliate investments	(3)	—
<b>Net realized gain (loss) on investments</b>	<u>8</u>	<u>(168)</u>
Net unrealized depreciation on non-affiliate investments	(14,214)	(8,383)
Net unrealized appreciation on non-controlled affiliate investments	11,433	846
Net unrealized depreciation on controlled affiliate investments	(1,179)	—
<b>Net unrealized depreciation on investments</b>	<u>(3,960)</u>	<u>(7,537)</u>
<b>Net realized and unrealized loss</b>	<u>(3,952)</u>	<u>(7,705)</u>
<b>Net increase in net assets resulting from operations</b>	<u>\$ 8,653</u>	<u>\$ 5,306</u>
Net investment income per common share	<u>\$ 0.38</u>	<u>\$ 0.46</u>
Net increase in net assets resulting from operations per common share	<u>\$ 0.26</u>	<u>\$ 0.19</u>
Distributions declared per share	<u>\$ 0.38</u>	<u>\$ 0.33</u>
Weighted average shares outstanding	<u>33,579,743</u>	<u>28,227,100</u>

See Notes to Consolidated Financial Statements

## Horizon Technology Finance Corporation and Subsidiaries

**Consolidated Statements of Changes in Net Assets (Unaudited)**  
(Dollars in thousands, except share data)

	Common Stock		Paid-In Capital in Excess of Par	Distributable Loss	Total Net Assets
	Shares	Amount			
<b>Balance at December 31, 2022</b>	27,753,373	\$ 29	\$ 385,921	(67,502)	\$ 318,448
Issuance of common stock, net of offering costs	605,848	1	7,173	—	7,174
Net increase in net assets resulting from operations, net of excise tax:					
Net investment income, net of excise tax	—	—	—	13,011	13,011
Net realized loss on investments	—	—	—	(168)	(168)
Net unrealized depreciation on investments	—	—	—	(7,537)	(7,537)
Issuance of common stock under dividend reinvestment plan	18,136	—	218	—	218
Distributions declared	—	—	—	(9,463)	(9,463)
<b>Balance at March 31, 2023</b>	28,377,357	30	393,312	(71,659)	321,683
<b>Balance at December 31, 2023</b>	33,367,389	36	450,949	(127,004)	323,981
Issuance of common stock, net of offering costs	1,053,796	1	11,971	—	11,972
Net increase in net assets resulting from operations, net of excise tax:					
Net investment income, net of excise tax	—	—	—	12,605	12,605
Net realized gain on investments	—	—	—	8	8
Net unrealized depreciation on investments	—	—	—	(3,960)	(3,960)
Issuance of common stock under dividend reinvestment plan	48,693	—	619	—	619
Distributions declared	—	—	—	(13,104)	(13,104)
<b>Balance at March 31, 2024</b>	34,469,878	\$ 37	\$ 463,539	\$ (131,455)	\$ 332,121

See Notes to Consolidated Financial Statements

**Horizon Technology Finance Corporation and Subsidiaries**
**Consolidated Statements of Cash Flows (Unaudited)**  
**(Dollars in thousands)**

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net increase in net assets resulting from operations	\$ 8,653	\$ 5,306
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Amortization of debt issuance costs	393	478
Net realized (gain) loss on investments	(8)	168
Net unrealized depreciation on investments	3,960	7,537
Purchase of investments	(23,319)	(47,008)
Principal payments received on investments	19,643	39,756
Payment-in-kind interest on investments	(1,382)	(1,204)
Proceeds from sale of investments	41	6,520
Changes in assets and liabilities:		
(Increase) decrease in interest receivable	(1,695)	840
Increase in end-of-term payments	(958)	(1,017)
Decrease in unearned income	(952)	(1,148)
Decrease in other assets	216	98
(Decrease) increase in other accrued expenses	(852)	824
Increase (decrease) in base management fee payable	6	(6)
Increase in incentive fee payable	295	1,586
Net cash provided by operating activities	<u>4,041</u>	<u>12,730</u>
<b>Cash flows from financing activities:</b>		
Repayment of 2019 Asset-Backed Notes	—	(4,783)
Proceeds from issuance of common stock, net of offering costs	11,972	7,174
Advances on Credit Facilities	—	10,000
Repayment of Credit Facilities	(10,000)	—
Debt issuance costs	(5)	(19)
Distributions paid	(10,397)	(9,039)
Net cash (used in) provided by financing activities	<u>(8,430)</u>	<u>3,333</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(4,389)	16,063
<b>Cash, cash equivalents and restricted cash:</b>		
Beginning of period	75,722	30,466
End of period	<u>\$ 71,333</u>	<u>\$ 46,529</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 7,565	\$ 6,623
<b>Supplemental non-cash investing and financing activities:</b>		
Refinanced debt investment balances	\$ 11,250	\$ —
Warrant investments received and recorded as unearned income	\$ 128	\$ 141
Distributions payable	\$ 13,099	\$ 9,365
End-of-term payments receivable	\$ 12,774	\$ 10,799
Non-cash income	\$ 4,103	\$ 3,944
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Cash	\$ 46,921	\$ 19,844
Investments in money market funds	21,879	23,698
Restricted investments in money market funds	2,533	2,987
Total cash, cash equivalents and restricted cash	<u>\$ 71,333</u>	<u>\$ 46,529</u>

See Notes to Consolidated Financial Statements

**Horizon Technology Finance Corporation and Subsidiaries**
**Consolidated Schedule of Investments (Unaudited)  
March 31, 2024  
(Dollars in thousands)**

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
<b>Non-Affiliate Investments — 206.2% (8)</b>												
<b>Non-Affiliate Debt Investments — 196.6% (8)</b>												
<b>Non-Affiliate Debt Investments — Life Science — 76.8% (8)</b>												
Castle Creek Biosciences, Inc. (2)(12)	Biotechnology	Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	\$ 5,000	\$ 4,982	\$ 4,982
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	5,000	4,982	4,982
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	3,000	2,989	2,989
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	5,000	4,982	4,982
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	5,000	4,982	4,982
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	3,000	2,989	2,989
Emalex Biosciences, Inc. (2)(12)	Biotechnology	Term Loan	13.22%	Prime	4.72%	9.75%	-	5.00%	June 1, 2024	565	564	564
		Term Loan	13.22%	Prime	4.72%	9.75%	-	5.00%	June 1, 2024	565	564	564
		Term Loan	13.22%	Prime	4.72%	9.75%	-	5.00%	November 1, 2025	5,000	4,957	4,957
		Term Loan	13.22%	Prime	4.72%	9.75%	-	5.00%	May 1, 2026	5,000	4,958	4,958
Greenlight Biosciences, Inc. (2)(12)	Biotechnology	Term Loan	14.25%	Prime	5.75%	9.00%	-	3.00%	July 1, 2025	2,500	2,429	2,429
		Term Loan	14.25%	Prime	5.75%	9.00%	-	3.00%	July 1, 2025	1,250	1,215	1,215
KSQ Therapeutics, Inc. (2)(12)	Biotechnology	Term Loan	13.25%	Prime	4.75%	8.50%	-	5.50%	May 1, 2027	6,250	6,204	6,204
		Term Loan	13.25%	Prime	4.75%	8.50%	-	5.50%	May 1, 2027	6,250	6,204	6,204
Native Microbials, Inc (2)(12)	Biotechnology	Term Loan	13.75%	Prime	5.25%	8.50%	-	5.00%	November 1, 2026	3,750	3,725	3,725
		Term Loan	13.75%	Prime	5.25%	8.50%	-	5.00%	November 1, 2026	2,500	2,484	2,484
PDS Biotechnology Corporation (2)(5)(12)	Biotechnology	Term Loan	14.25%	Prime	5.75%	9.75%	-	3.75%	September 1, 2026	10,000	9,924	9,924
		Term Loan	14.25%	Prime	5.75%	9.75%	-	3.75%	September 1, 2026	3,750	3,722	3,722
		Term Loan	14.25%	Prime	5.75%	9.75%	-	3.75%	September 1, 2026	3,750	3,722	3,722
Provivi, Inc. (2)(12)	Biotechnology	Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	4,667	4,603	4,327
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	4,667	4,603	4,327
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	2,333	2,295	2,158
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	2,333	2,295	2,158
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	2,333	2,293	2,156
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	2,333	2,293	2,156
Stealth Biotherapeutics Inc. (2)(12)	Biotechnology	Term Loan	14.00%	Prime	5.50%	8.75%	-	6.00%	October 1, 2025	3,643	3,594	3,594
		Term Loan	14.00%	Prime	5.50%	8.75%	-	6.00%	October 1, 2025	1,821	1,797	1,797
Tallac Therapeutics, Inc. (2)(12)	Biotechnology	Term Loan	12.75%	Prime	4.25%	12.25%	-	4.00%	August 1, 2027	2,500	2,232	2,232
		Term Loan	12.75%	Prime	4.25%	12.25%	-	4.00%	August 1, 2027	2,500	2,462	2,462
Aerobiotix, LLC (2)(12)	Medical Device	Term Loan	9.00%	Fixed	-	-	-	18.00%	April 1, 2028	2,500	2,471	2,339
		Term Loan	9.00%	Fixed	-	-	-	18.00%	April 1, 2028	2,500	2,471	2,339
		Term Loan	9.00%	Fixed	-	-	-	18.00%	June 30, 2024	200	200	189
Candesant Biomedical, Inc. (2)(12)	Medical Device	Term Loan	12.00%	Prime	3.50%	11.50%	-	5.00%	September 1, 2027	5,000	4,764	4,764
		Term Loan	12.00%	Prime	3.50%	11.50%	-	5.00%	September 1, 2027	2,500	2,457	2,457
		Term Loan	12.00%	Prime	3.50%	11.50%	-	5.00%	September 1, 2027	2,500	2,457	2,457
Ceribell, Inc. (2)(12)	Medical Device	Term Loan	11.25%	Prime	2.75%	9.25%	-	4.00%	March 1, 2029	5,000	4,811	4,811
		Term Loan	11.25%	Prime	2.75%	9.25%	-	4.00%	March 1, 2029	5,000	4,932	4,932
		Term Loan	11.25%	Prime	2.75%	9.25%	-	4.00%	March 1, 2029	4,000	3,946	3,946
Cognoa, Inc. (2)(12)	Medical Device	Term Loan	14.00%	Prime	5.50%	8.75%	-	6.00%	August 1, 2026	4,375	4,332	4,332
		Term Loan	14.00%	Prime	5.50%	8.75%	-	6.00%	August 1, 2026	2,188	2,166	2,166
Conventus Orthopaedics, Inc. (2)(12)	Medical Device	Term Loan	13.32%	Prime	4.82%	9.25%	-	10.36%	July 1, 2025	3,911	3,864	3,864
		Term Loan	13.32%	Prime	4.82%	9.25%	-	10.36%	July 1, 2025	3,911	3,864	3,864
CSA Medical, Inc. (2)(12)	Medical Device	Term Loan	13.59%	Prime	5.09%	10.00%	-	5.00%	January 1, 2024	391	391	391
		Term Loan	13.59%	Prime	5.09%	10.00%	-	5.00%	March 1, 2024	533	533	533
MicroTransponder, Inc. (2)(12)	Medical Device	Term Loan	12.25%	Prime	3.75%	12.25%	-	3.50%	January 1, 2029	3,750	3,691	3,691
		Term Loan	12.25%	Prime	3.75%	12.25%	-	3.50%	January 1, 2029	3,750	3,691	3,691

See Notes to Consolidated Financial Statements

**Horizon Technology Finance Corporation and Subsidiaries**
**Consolidated Schedule of Investments (Unaudited)  
March 31, 2024  
(Dollars in thousands)**

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
Scientia Vascular, Inc. (2)(12)	Medical Device	Term Loan	13.25%	Prime	4.75%	8.50%	-	5.00%	January 1, 2027	3,750	3,726	3,726
		Term Loan	13.25%	Prime	4.75%	8.50%	-	5.00%	January 1, 2027	3,750	3,725	3,725
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	January 1, 2027	5,000	4,949	4,949
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	January 1, 2027	5,000	4,909	4,909
Sonex Health, Inc. (2)(12)	Medical Device	Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	September 1, 2027	2,500	2,475	2,475
		Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	September 1, 2027	2,500	2,475	2,475
		Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	September 1, 2027	5,000	4,950	4,950
		Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	September 1, 2027	5,000	4,950	4,950
	Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	April 1, 2028	3,750	3,706	3,706	
	Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	April 1, 2028	3,750	3,706	3,706	
	Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	April 1, 2028	3,750	3,706	3,706	
	Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	April 1, 2028	3,750	3,706	3,706	
Spineology, Inc. (2)(12)	Medical Device	Term Loan	15.50%	Prime	7.00%	10.25%	-	1.00%	October 1, 2025	5,000	4,981	4,981
		Term Loan	15.50%	Prime	7.00%	10.25%	-	1.00%	April 1, 2026	2,500	2,491	2,491
Swift Health Systems Inc. (2)(12)	Medical Device	Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	July 1, 2027	3,500	3,470	3,470
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	July 1, 2027	3,500	3,470	3,470
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	July 1, 2027	3,500	3,459	3,459
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	July 1, 2027	3,500	3,459	3,459
Vero Biotech, Inc. (2)(12)	Medical Device	Term Loan	12.25%	Prime	3.75%	12.25%	-	4.00%	January 1, 2029	15,000	14,690	14,690
		Term Loan	12.25%	Prime	3.75%	12.25%	-	4.00%	January 1, 2029	10,000	9,793	9,793
		Term Loan	12.25%	Prime	3.75%	12.25%	-	4.00%	January 1, 2029	5,000	4,897	4,897
		Term Loan	12.25%	Prime	3.75%	12.25%	-	4.00%	January 1, 2029	2,500	2,449	2,449
<b>Total Non-Affiliate Debt Investments — Life Science</b>											<b>256,228</b>	<b>254,853</b>
<b>Non-Affiliate Debt Investments — Sustainability — 21.2% (8)</b>												
New Aerofarms, Inc. assignee of Aerofarms, Inc. (2)(12)(15)	Other Sustainability	Term Loan	15.25%	Prime	6.75%	10.00%	-	4.33%	December 1, 2026	3,750	3,695	3,695
		Term Loan	15.25%	Prime	6.75%	10.00%	-	4.33%	December 1, 2026	3,750	3,695	3,695
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	8,759	8,431	2,477
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	8,759	8,229	2,418
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	8,759	8,229	2,418
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	5,840	5,480	1,610
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	5,840	5,480	1,610
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	764	726	213
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	609	578	170
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	304	288	85
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	301	286	84
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	181	172	50
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	833	791	232
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	1,134	1,083	318
Term Loan	15.50(11)%	Fixed	-	-	-	-	-	April 30, 2024	418	397	117	
Term Loan	15.50(11)%	Fixed	-	-	-	-	-	April 30, 2024	552	502	147	
Term Loan	15.50(11)%	Fixed	-	-	-	-	-	April 30, 2024	411	405	119	
Term Loan	15.50(11)%	Fixed	-	-	-	-	-	April 30, 2024	487	486	143	
Soli Organic, Inc. (2)(12)	Other Sustainability	Term Loan	15.25%	Prime	6.75%	10.00%	-	2.75%	April 1, 2026	5,000	4,967	4,967
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.75%	April 1, 2026	2,500	2,483	2,483
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.75%	May 1, 2026	5,000	4,964	4,964
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.75%	May 1, 2026	2,500	2,482	2,482
		Term Loan	14.00%	Prime	5.50%	11.75%	-	2.75%	December 1, 2026	5,000	4,942	4,942
		Term Loan	14.00%	Prime	5.50%	11.75%	-	2.75%	December 1, 2026	2,500	2,471	2,471
Temperpack Technologies, Inc. (2)(12)	Other Sustainability	Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	3,750	3,697	3,697
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	3,750	3,697	3,697
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	7,500	7,386	7,386
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	3,750	3,693	3,693
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	3,750	3,693	3,693
		Term Loan	14.50%	Prime	6.00%	10.00%	-	2.00%	January 1, 2029	4,500	4,448	4,448
		Term Loan	14.50%	Prime	6.00%	10.00%	-	2.00%	January 1, 2029	2,000	1,977	1,977
<b>Total Non-Affiliate Debt Investments — Sustainability</b>											<b>99,853</b>	<b>70,501</b>

See Notes to Consolidated Financial Statements



**Horizon Technology Finance Corporation and Subsidiaries**

**Consolidated Schedule of Investments (Unaudited)  
March 31, 2024  
(Dollars in thousands)**

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
<b>Non-Affiliate Debt Investments — Technology — 77.6% (8)</b>												
Axiom Space, Inc. (2)(12)	Communications	Term Loan	14.50%	Prime	6.00%	9.25%	-	2.50%	June 1, 2026	5,625	5,597	5,597
		Term Loan	14.50%	Prime	6.00%	9.25%	-	2.50%	June 1, 2026	5,625	5,597	5,597
		Term Loan	14.50%	Prime	6.00%	9.25%	-	2.50%	June 1, 2026	5,625	5,597	5,597
CAMP NYC, Inc. (2)(12)	Consumer-related Technologies	Term Loan	15.75%	Prime	7.25%	10.50%	-	3.00%	May 1, 2026	3,033	3,009	3,009
Clara Foods Co. (2)(12)	Consumer-related Technologies	Term Loan	14.25%	Prime	5.75%	9.00%	-	5.50%	August 1, 2025	1,417	1,408	1,408
		Term Loan	14.25%	Prime	5.75%	9.00%	-	5.50%	August 1, 2025	1,417	1,408	1,408
Divergent Technologies, Inc. (2)(12)	Consumer-related Technologies	Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	3,750	3,729	3,729
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	1,250	1,243	1,243
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	3,750	3,729	3,729
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	1,250	1,243	1,243
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	3,750	3,729	3,729
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	1,250	1,243	1,243
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	January 1, 2028	3,750	3,716	3,716
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	January 1, 2028	3,750	3,716	3,716
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	April 1, 2028	3,750	3,708	3,708
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2028	3,750	3,709	3,709
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2028	3,750	3,709	3,709
Havenly, Inc. (2)(12)	Consumer-related Technologies	Term Loan	13.50%	Prime	5.00%	5.00%	-	4.00%	March 1, 2027	2,000	1,505	1,505
		Term Loan	13.50%	Prime	5.00%	5.00%	-	4.00%	March 1, 2027	3,000	2,258	2,258
		Term Loan	12.00%	Prime	3.50%	10.50%	-	7.78%	February 1, 2028	2,813	2,813	2,813
		Term Loan	12.00%	Prime	3.50%	10.50%	-	7.78%	February 1, 2028	2,813	2,813	2,813
Lyrical Foods, Inc. (2)(12)	Consumer-related Technologies	Term Loan	12.00%	Prime	3.50%	9.00%	-	1.00%	September 1, 2027	2,500	2,590	2,435
MyForest Foods Co. (2)(12)	Consumer-related Technologies	Term Loan	15.25%	Prime	6.75%	10.00%	-	3.00%	October 1, 2025	3,000	2,986	2,986
		Term Loan	15.25%	Prime	6.75%	10.00%	-	3.00%	October 1, 2025	1,500	1,493	1,493
NextCar Holding Company, Inc. (2)(12) (13)	Consumer-related Technologies	Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	5,744	5,744	5,014
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,298	2,298	2,006
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,872	2,872	2,507
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	3,446	3,446	3,009
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,872	2,872	2,507
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,872	2,872	2,507
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	5,744	5,744	5,014
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,872	2,872	2,507
Optoro, Inc. (2)(12)	Consumer-related Technologies	Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	August 1, 2027	2,500	2,424	2,424
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	July 1, 2028	1,875	1,791	1,791
Unagi, Inc. (2)(12)(13)	Consumer-related Technologies	Term Loan	16.25(11)%	Prime	7.75%	11.00%	-	-	May 1, 2027	1,254	1,086	570
		Term Loan	16.25(11)%	Prime	7.75%	11.00%	-	-	May 1, 2027	627	543	285
		Term Loan	16.25(11)%	Prime	7.75%	11.00%	-	-	May 1, 2027	627	543	285
Liquid, Inc. (2)(12)	Networking	Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	833	822	822
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	833	822	822
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	417	410	410
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	417	410	410
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	417	403	403
BriteCore Holdings, Inc. (2)(12)	Software	Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	October 1, 2028	5,000	4,899	4,899
		Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	October 1, 2028	2,500	2,467	2,467
		Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	October 1, 2028	2,500	2,467	2,467
		Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	October 1, 2028	2,500	2,467	2,467
		Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	April 1, 2029	2,500	2,464	2,464

See Notes to Consolidated Financial Statements

**Horizon Technology Finance Corporation and Subsidiaries**
**Consolidated Schedule of Investments (Unaudited)**
**March 31, 2024**
**(Dollars in thousands)**

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
Dropoff, Inc. (2)(12)	Software	Term Loan	15.00(19)%	Prime	6.50%	9.75%	-	3.50%	April 1, 2026	6,701	6,607	6,303
		Term Loan	15.00(19)%	Prime	6.50%	9.75%	-	3.50%	April 1, 2026	6,185	6,098	5,819
Kodiak Robotics, Inc. (2)(12)	Software	Term Loan	15.00(19)%	Prime	6.50%	9.75%	-	3.50%	August 1, 2026	2,577	2,541	2,425
		Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	April 1, 2026	10,000	9,912	9,540
		Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	April 1, 2026	10,000	9,912	9,540
		Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	April 1, 2026	5,000	4,956	4,770
		Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	April 1, 2026	5,000	4,956	4,770
Lemongrass Holdings, Inc. (2)(12)	Software	Term Loan	15.00%	Prime	6.50%	9.75%	-	2.50%	March 1, 2026	5,000	4,977	4,977
		Term Loan	15.00%	Prime	6.50%	9.75%	-	2.50%	March 1, 2026	2,500	2,489	2,489
		Term Loan	14.50%	Prime	6.00%	14.25%	-	5.00%	November 1, 2026	2,500	2,473	2,473
Lytics, Inc. (2)(12)	Software	Term Loan	14.50%	Prime	6.00%	14.25%	-	5.00%	December 1, 2026	1,250	1,239	1,239
		Term Loan	14.50%	Prime	6.00%	14.25%	-	5.00%	April 1, 2027	1,000	994	994
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,783	4,783
Mirantis, Inc. (2)(12)	Software	Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,919	4,919
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,919	4,919
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,919	4,919
Noodle Partners, Inc. (2)(12)	Software	Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,919	4,919
		Term Loan	13.50%	Prime	5.00%	12.00%	-	3.00%	March 1, 2027	10,000	9,896	9,896
		Term Loan	13.50%	Prime	5.00%	12.00%	-	3.00%	March 1, 2027	5,000	4,947	4,947
Reputation Institute, Inc. (2)(12)	Software	Term Loan	13.50%	Prime	5.00%	12.00%	-	3.00%	March 1, 2027	5,000	4,947	4,947
		Term Loan	15.75%	Prime	7.25%	10.50%	-	3.00%	August 1, 2025	3,233	3,182	3,182
Slingshot Aerospace, Inc. (2)(12)	Software	Term Loan	14.25%	Prime	5.75%	9.75%	-	5.00%	August 1, 2026	5,000	4,965	4,965
		Term Loan	14.25%	Prime	5.75%	9.75%	-	5.00%	August 1, 2026	5,000	4,965	4,965
		Term Loan	14.25%	Prime	5.75%	9.75%	-	5.00%	August 1, 2026	5,000	4,965	4,965
		Term Loan	14.25%	Prime	5.75%	9.75%	-	5.00%	August 1, 2026	5,000	4,965	4,965
Supply Network Visibility Holdings LLC (2)(12)	Software	Term Loan	12.75%	Prime	4.25%	12.00%	-	2.50%	June 1, 2028	2,500	2,458	2,458
		Term Loan	12.75%	Prime	4.25%	12.00%	-	2.50%	June 1, 2028	3,500	3,490	3,490
		Term Loan	12.75%	Prime	4.25%	12.00%	-	2.50%	June 1, 2028	2,500	2,493	2,493
		Term Loan	12.75%	Prime	4.25%	12.00%	-	2.50%	June 1, 2028	1,500	1,496	1,496
Viken Detection Corporation (2)(12)	Software	Term Loan	12.50%	Prime	4.00%	11.75%	-	3.50%	June 1, 2027	5,000	4,779	4,779
		Term Loan	12.50%	Prime	4.00%	11.75%	-	3.50%	June 1, 2027	2,500	2,470	2,470
		Term Loan	12.50%	Prime	4.00%	11.75%	-	3.50%	June 1, 2027	2,500	2,470	2,470
<b>Total Non-Affiliate Debt Investments — Technology</b>											<b>264,468</b>	<b>257,817</b>
<b>Non-Affiliate Debt Investments — Healthcare information and services — 21.0% (8)</b>												
Hound Labs inc. (2) (12)	Diagnostics	Term Loan	14.50%	Prime	6.00%	9.25%	-	3.50%	June 1, 2026	2,500	2,487	2,487
		Term Loan	14.50%	Prime	6.00%	9.25%	-	3.50%	June 1, 2026	2,500	2,487	2,487
		Term Loan	14.50%	Prime	6.00%	9.25%	-	3.50%	June 1, 2026	5,000	4,973	4,973
Parse Biosciences, Inc. (2)(12)	Diagnostics	Term Loan	11.75%	Prime	3.25%	11.50%	-	5.00%	January 1, 2028	5,000	4,639	4,639
		Term Loan	11.75%	Prime	3.25%	11.50%	-	5.00%	January 1, 2028	5,000	4,890	4,890
BrightInsight, Inc. (2)(12)	Software	Term Loan	14.00%	Prime	5.50%	9.50%	-	3.00%	August 1, 2027	7,000	6,727	6,727
		Term Loan	14.00%	Prime	5.50%	9.50%	-	3.00%	August 1, 2027	3,500	3,466	3,466
		Term Loan	14.00%	Prime	5.50%	9.50%	-	3.00%	August 1, 2027	3,500	3,466	3,466
		Term Loan	14.00%	Prime	5.50%	9.50%	-	3.00%	April 1, 2028	2,750	2,713	2,713
Elligo Health Research, Inc. (2)(12)	Software	Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2027	10,000	9,666	9,666
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2027	5,000	4,930	4,930
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2027	5,000	4,930	4,930
SafelyYou, Inc. (2)(12)	Software	Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2027	5,000	4,930	4,930
		Term Loan	11.75%	Prime	3.25%	11.00%	-	5.00%	June 1, 2027	5,000	4,654	4,654
		Term Loan	11.75%	Prime	3.25%	11.00%	-	5.00%	June 1, 2027	5,000	4,924	4,924
<b>Total Non-Affiliate Debt Investments — Healthcare information and services</b>											<b>69,882</b>	<b>69,882</b>
<b>Total Non-Affiliate Debt Investments</b>											<b>690,431</b>	<b>653,053</b>

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**Horizon Technology Finance Corporation and Subsidiaries**
**Consolidated Schedule of Investments (Unaudited)**
**March 31, 2024**
**(Dollars in thousands)**

<b>Portfolio Company (1)(3)</b>	<b>Sector</b>	<b>Type of Investment (7)</b>	<b>Number of Shares</b>	<b>Cost of Investments (6)(9)</b>	<b>Fair Value (9)</b>
<b>Non-Affiliate Warrant Investments — 7.2% (8)</b>					
<b>Non-Affiliate Warrants — Life Science — 2.0% (8)</b>					
Avalo Therapeutics, Inc. (2)(5)(12)	Biotechnology	Common Stock Warrant	117	311	—
Castle Creek Biosciences, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	7,404	214	220
Emalex Biosciences, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	110,402	176	135
Imunon, Inc. (2)(5)(12)	Biotechnology	Common Stock Warrant	19,671	65	—
KSQ Therapeutics, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	48,076	50	54
Mustang Bio, Inc. (2)(5)(12)	Biotechnology	Common Stock Warrant	16,611	146	—
Native Microbials, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	103,679	64	80
PDS Biotechnology Corporation (2)(5)(12)	Biotechnology	Common Stock Warrant	299,848	160	364
Provivi, Inc. (2)(12)	Biotechnology	Common Stock Warrant	175,098	278	—
Provivi, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	691,895	312	232
Stealth Biotherapeutics Inc. (2)(12)	Biotechnology	Common Stock Warrant	318,181	264	116
Tallac Therapeutics, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	1,600,002	194	175
Xeris Pharmaceuticals, Inc. (2)(5)(12)	Biotechnology	Common Stock Warrant	126,000	72	26
AccuVein Inc. (2)(12)	Medical Device	Common Stock Warrant	271	7	—
Aerin Medical, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	1,818,183	66	1,046
Aerobiotix, LLC (2)(12)	Medical Device	Preferred Stock Warrant	8,800	48	10
Canary Medical Inc. (2)(12)	Medical Device	Preferred Stock Warrant	12,153	86	1,299
Candesant Biomedical, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	93,336	152	138
Ceribell, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	219,866	139	267
Cognoa, Inc. (2)(12)	Medical Device	Common Stock Warrant	30,585	—	—
Cognoa, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	4,635,992	162	182
Conventus Orthopaedics, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	9,313,541	256	247
CSA Medical, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	3,341,376	174	128
CVRx, Inc. (2)(5)(12)	Medical Device	Common Stock Warrant	47,410	76	382
Infobionic, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	2,010,424	124	50
Magnolia Medical Technologies, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	809,931	195	374
Meditrina, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	233,993	83	54
MicroTransponder, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	103,172	47	48
Scientia Vascular, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	34,410	103	329
Sonex Health, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	2,637,041	275	276
VERO Biotech LLC (2)(12)	Medical Device	Preferred Stock Warrant	4,109	432	368
Swift Health Systems Inc. (2)(12)	Medical Device	Preferred Stock Warrant	135,484	71	2
<b>Total Non-Affiliate Warrants — Life Science</b>				<b>4,802</b>	<b>6,602</b>

See Notes to Consolidated Financial Statements

**Horizon Technology Finance Corporation and Subsidiaries**
**Consolidated Schedule of Investments (Unaudited)**
**March 31, 2024**
**(Dollars in thousands)**

<b>Portfolio Company (1)(3)</b>	<b>Sector</b>	<b>Type of Investment (7)</b>	<b>Number of Shares</b>	<b>Cost of Investments (6)(9)</b>	<b>Fair Value (9)</b>
<b>Non-Affiliate Warrants — Sustainability — 0.2% (8)</b>					
New Aerofarms, Inc. assignee of Aerofarms, Inc. (2)(12) (15)	Other Sustainability	Preferred Stock Warrant	400,000	81	74
LiquiGlide, Inc. (2)(12)	Other Sustainability	Preferred Stock Warrant	61,359	39	51
Nexii Building Solutions, Inc. (2)(12)(14)(18)	Other Sustainability	Common Stock Warrant	215,171	490	—
Soli Organic, Inc. (2)(12)	Other Sustainability	Preferred Stock Warrant	681	216	350
Temperpack Technologies, Inc. (2)(12)	Other Sustainability	Preferred Stock Warrant	46,311	175	84
<b>Total Non-Affiliate Warrants — Sustainability</b>				<b>1,001</b>	<b>559</b>
<b>Non-Affiliate Warrants — Technology — 4.6% (8)</b>					
Axiom Space, Inc. (2)(12)	Communications	Common Stock Warrant	1,991	46	62
Intelepeer Holdings, Inc. (2)(12)	Communications	Preferred Stock Warrant	2,936,535	137	2,894
PebblePost, Inc. (2)(12)	Communications	Preferred Stock Warrant	598,850	92	132
Alula Holdings, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	20,000	93	3
Aterian, Inc. (2)(5)(12)	Consumer-related Technologies	Common Stock Warrant	6,140	195	—
Caastle, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	268,591	68	2,167
CAMP NYC, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	75,997	22	28
Clara Foods Co. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	46,745	30	124
CZV, Inc. (2)(12)	Consumer-related Technologies	Common Stock Warrant	65,569	81	73
Divergent Technologies, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	37,282	95	259
Havenly, Inc. (2)(12)	Consumer-related Technologies	Common Stock Warrant	1,312,500	2,947	2,260
MyForest Foods Co. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	250	29	58
NextCar Holding Company, Inc. (2)(12)	Consumer-related Technologies	Common Stock Warrant	12,618	188	—
NextCar Holding Company, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	1,224,752	9	—
Optoro, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	11,550	179	145
Primary Kids, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	553,778	57	593
Quip NYC Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	6,191	325	232
Unagi, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	171,081	32	—
Updater, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	114,659	34	—
CPG Beyond, Inc. (2)(12)	Data Storage	Preferred Stock Warrant	500,000	241	298
Silk, Inc. (2)(12)	Data Storage	Preferred Stock Warrant	394,110	175	128
Global Worldwide LLC (2)(12)	Internet and Media	Preferred Stock Warrant	245,810	74	63
Rocket Lawyer Incorporated (2)(12)	Internet and Media	Preferred Stock Warrant	261,721	92	323
Skillshare, Inc. (2)(12)	Internet and Media	Preferred Stock Warrant	139,074	162	1,206
Liquid, Inc. (2)(12)	Networking	Preferred Stock Warrant	344,102	364	224
Halio, Inc. (2)(12)	Power Management	Common Stock Warrant	38,241,466	1,585	2,700
Avalanche Technology, Inc. (2)(12)	Semiconductors	Preferred Stock Warrant	5,938	45	—
BriteCore Holdings, Inc. (2)(12)	Software	Preferred Stock Warrant	161,215	98	136
Dropoff, Inc. (2)(12)	Software	Common Stock Warrant	516,732	455	56
E La Carte, Inc. (2)(5)(12)	Software	Common Stock Warrant	147,361	60	—
Everstream Holdings, LLC (2)(12)	Software	Preferred Stock Warrant	350,000	70	63
Kodiak Robotics, Inc. (2)(12)	Software	Preferred Stock Warrant	639,918	273	11
Lemongrass Holdings, Inc. (2)(12)	Software	Preferred Stock Warrant	101,308	34	121
Lotame Solutions, Inc. (2)(12)	Software	Preferred Stock Warrant	71,305	18	42
Lytics, Inc. (2)(12)	Software	Preferred Stock Warrant	85,543	43	—
Mirantis, Inc. (2)(12)	Software	Common Stock Warrant	948,275	220	253
Noodle Partners, Inc. (2)(12)	Software	Preferred Stock Warrant	84,037	116	3
Reputation Institute, Inc. (2)(12)	Software	Preferred Stock Warrant	4,104	66	83
Revinatone Holdings, Inc. (2)(12)	Software	Preferred Stock Warrant	682,034	44	93
SIGNiX, Inc. (12)	Software	Preferred Stock Warrant	186,235	225	—
Slingshot Aerospace, Inc. (2)(12)	Software	Preferred Stock Warrant	309,208	123	85
Supply Network Visibility Holdings LLC (2)(12)	Software	Preferred Stock Warrant	682	64	138
Topia Mobility, Inc. (2)(12)	Software	Preferred Stock Warrant	3,049,607	138	—
Viken Detection Corporation (2)(12)	Software	Preferred Stock Warrant	345,443	120	211
xAd, Inc. (2)(12)	Software	Preferred Stock Warrant	4,343,348	177	8
<b>Total Non-Affiliate Warrants — Technology</b>				<b>9,741</b>	<b>15,275</b>

See Notes to Consolidated Financial Statements

**Horizon Technology Finance Corporation and Subsidiaries**
**Consolidated Schedule of Investments (Unaudited)**
**March 31, 2024**
**(Dollars in thousands)**

<b>Portfolio Company (1)(3)</b>	<b>Sector</b>	<b>Type of Investment (7)</b>	<b>Number of Shares</b>	<b>Cost of Investments (6)(9)</b>	<b>Fair Value (9)</b>
<b>Non-Affiliate Warrants — Healthcare information and services — 0.4% (8)</b>					
Hound Labs, Inc (2)(12)	Diagnostics	Preferred Stock Warrant	171,370	47	12
Parse Biosciences, Inc. (2)(12)	Diagnostics	Common Stock Warrant	32,244	70	70
Parse Biosciences, Inc. (2)(12)	Diagnostics	Preferred Stock Warrant	184,253	166	171
Kate Farms, Inc. (2)(12)	Other Healthcare	Preferred Stock Warrant	82,965	102	949
BrightInsight, Inc. (2)(12)	Software	Preferred Stock Warrant	85,066	168	—
Elligo Health Research, Inc. (2)(12)	Software	Preferred Stock Warrant	652,250	191	98
Medsphere Systems Corporation (2)(12)	Software	Preferred Stock Warrant	7,097,792	60	134
SafetyYou, Inc. (2)(12)	Software	Preferred Stock Warrant	150,353	163	58
<b>Total Non-Affiliate Warrants — Healthcare information and services</b>				<b>967</b>	<b>1,492</b>
<b>Total Non-Affiliate Warrants</b>				<b>16,511</b>	<b>23,928</b>
<b>Non-Affiliate Other Investments — Life Science — 1.0% (8)</b>					
Lumithera, Inc. (12)	Medical Device	Royalty Agreement		1,200	100
Robin Healthcare, Inc. (2)(12)	Medical Device	Royalty Agreement		7,181	3,247
ZetrOZ, Inc. (12)	Medical Device	Royalty Agreement		—	—
<b>Total Non-Affiliate Other Investments</b>				<b>8,381</b>	<b>3,347</b>
<b>Non-Affiliate Equity — 1.4% (8)</b>					
Cadrenal Therapeutics, Inc. (5)	Biotechnology	Common Stock	600,000	—	367
Castle Creek Biosciences, Inc. (12)	Biotechnology	Common Stock	1,162	250	250
Emalex Biosciences, Inc. (12)	Biotechnology	Common Stock	32,831	355	355
Axiom Space, Inc. (12)	Communications	Preferred Stock	1,810	261	306
Getaround, Inc. (2)(5)	Consumer-related Technologies	Common Stock	87,082	253	27
NextCar Holding Company, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock	2,688,971	89	—
SnagAJob.com, Inc. (12)	Technologies	Common Stock	82,974	10	80
Lumithera, Inc. (12)	Medical Device	Common Stock	392,651	2,000	1,700
Tigo Energy, Inc. (5)	Other Sustainability	Common Stock	5,205	111	8
Decisyon, Inc. (12)	Software	Preferred Stock	280,000	2,800	1,281
Lotame, Inc. (12)	Software	Preferred Stock	66,127	4	193
<b>Total Non-Affiliate Equity</b>				<b>6,133</b>	<b>4,567</b>
<b>Total Non-Affiliate Portfolio Investment Assets</b>				<b>\$ 721,456</b>	<b>\$ 684,895</b>

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**Horizon Technology Finance Corporation and Subsidiaries**
**Consolidated Schedule of Investments (Unaudited)**
**March 31, 2024**
**(Dollars in thousands)**

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
<b>Non-Controlled Affiliate Investments — 3.8% (8)</b>												
<b>Non-Controlled Affiliate Debt Investments — Life Sciences — 3.8% (8)</b>												
Evelo Biosciences, Inc. (2)(5)(12)(13)	Biotechnology	Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	4.25%	January 1, 2028	5,712	5,228	2,790
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	4.25%	January 1, 2028	8,568	7,880	4,207
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	4.25%	January 1, 2028	3,427	3,137	1,674
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	4.25%	January 1, 2028	3,427	3,137	1,674
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	4.25%	January 1, 2028	2,285	2,091	1,116
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	4.25%	January 1, 2028	2,285	2,091	1,116
<b>Total Non-Controlled Affiliate Debt Investments</b>											<u>23,564</u>	<u>12,577</u>

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Number of Shares	Cost of Investments (6)(9)	Fair Value (9)
<b>Non-controlled Affiliate Equity — Life Sciences — 0.0% (8)</b>					
Aulea Medical, Inc. (12)(16)	Medical Device	Common Stock	660,537	—	—
Evelo Biosciences, Inc. (5)(12)	Biotechnology	Common Stock	2,164,502	5,000	—
<b>Total Non-Controlled Affiliate Equity</b>				<u>5,000</u>	<u>—</u>
<b>Non-controlled Affiliate Warrants — Life Sciences — 0.0% (8)</b>					
Evelo Biosciences, Inc. (2)(5)(12)	Biotechnology	Common Stock	23,196	125	—
<b>Total Non-Controlled Affiliate Warrants</b>				<u>125</u>	<u>—</u>
<b>Total Non-Controlled Affiliate Portfolio Investment Assets</b>				<u>\$ 28,689</u>	<u>\$ 12,577</u>

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
<b>Controlled Affiliate Investments — 4.1% (8)</b>												
<b>Controlled Affiliate Debt Investments — Technology — 1.5% (8)</b>												
Better Place Forests Co. (12)	Consumer-related Technologies	Term Loan	12.25(11) %	Prime	3.75%	12.00%	-	2.78%	August 1, 2029	3,658	3,698	3,455
		Term Loan	12.25(11) %	Prime	3.75%	12.00%	-	2.78%	August 1, 2029	1,829	1,807	1,688
<b>Total Controlled Affiliate Debt Investments</b>											<u>5,505</u>	<u>5,143</u>

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Number of Shares	Cost of Investments (6)(9)	Fair Value (9)
<b>Controlled Affiliate Equity — Technology — 0.8% (8)</b>					
Better Place Forests Co. (12)	Consumer-related Technologies	Common Stock	2,278,272	2,060	659
Better Place Forests Co. (12)	Consumer-related Technologies	Preferred Stock	4,458,452	2,000	1,997
<b>Total Controlled Affiliate Equity</b>				<u>4,060</u>	<u>2,656</u>
<b>Controlled Affiliate Other Investments — Life Sciences — 1.8% (8)</b>					
HIMV LLC (12)(17)	Biotechnology	Other Investment		5,463	5,845
<b>Total Controlled Affiliate Other</b>				<u>5,463</u>	<u>5,845</u>
<b>Total Controlled Affiliate Portfolio Investment Assets</b>				<u>\$ 15,028</u>	<u>\$ 13,644</u>
<b>Total Portfolio Investment Assets — 214.1% (8)</b>				<u>\$ 765,173</u>	<u>\$ 711,116</u>

- All investments of the Company are in entities which are organized under the laws of the United States and have a principal place of business in the United States, unless otherwise noted.
- Has been pledged as collateral under the revolving credit facility (the "Key Facility") with KeyBank National Association ("Key"), the Note Funding Agreement (the "NYL Facility", together with the Key Facility, the "Credit Facilities") with several entities owned or affiliated with New York Life Insurance Company ("NYL Noteholders"), and/or the term debt securitization in connection with which an affiliate of the Company made an offering of \$100.0 million in aggregate principal amount of fixed rate asset-backed notes that were issued in conjunction with the \$157.8 million securitization of secured loans the Company completed on November 9, 2022 (the "2022 Asset-Backed Notes").
- All non-affiliate investments are investments in which the Company owns less than 5% of the voting securities of the portfolio company. All non-controlled affiliate investments are investments in which the Company owns 5% or more of the voting securities of the portfolio company but not more than 25% of the voting securities of the portfolio company. All controlled affiliate investments are investments in which the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement).
- All interest is payable in cash due monthly in arrears, unless otherwise indicated, and applies only to the Company's debt investments. Interest rate is the annual interest rate on the debt investment and does not include end-of-term payments ("ETPs"), and any additional fees related to the investments, such as deferred interest, commitment fees or prepayment fees. Debt investments are at variable rates for the term of the debt investment, unless otherwise indicated. For each debt investment, the current interest rate in effect as of March 31, 2024 is provided.
- Portfolio company is a public company.

See Notes to Consolidated Financial Statements

**Horizon Technology Finance Corporation and Subsidiaries****Consolidated Schedule of Investments (Unaudited)****March 31, 2024****(Dollars in thousands)**

- (6) For debt investments, represents principal balance less unearned income.
- (7) Warrants, Equity and Other Investments are non-income producing.
- (8) Value as a percent of net assets.
- (9) As of March 31, 2024, 4.9% and 1.5% of the Company's total assets on a cost and fair value basis, respectively, are in non-qualifying assets. Under the 1940 Act, the Company may not acquire any non-qualifying assets unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (10) ETPs are contractual fixed-interest payments due in cash at the maturity date of the applicable debt investment, including upon any prepayment, and are a fixed percentage of the original principal balance of the debt investments unless otherwise noted. Interest will accrue during the life of the debt investment on each ETP and will be recognized as non-cash income until it is actually paid. Therefore, a portion of the incentive fee the Company may pay its Advisor will be based on income that the Company has not yet received in cash.
- (11) Debt investment has a payment-in-kind ("PIK") feature in which the accrued interest is added to the then-outstanding principal amount of the debt investment.
- (12) The fair value of the investment was valued using significant unobservable inputs.
- (13) Debt investment is on non-accrual status as of March 31, 2024.
- (14) Entity is organized under the laws of Canada and has a principal place of business in Canada.
- (15) On or about September 13, 2023, in connection with New Aerofarms, Inc.'s purchase of substantially all of the assets of Aerofarms, Inc. in a bankruptcy process, New Aerofarms, Inc. assumed all of the debt investments of the Company in Aerofarms, Inc.
- (16) On July 31, 2023, pursuant to a certain Secured Party Bill of Sale and Transfer Agreement, the Company sold substantially all of the assets of Corinth MedTech, Inc., a borrower of the Company, to Aulea Medical Inc. ("Aulea") in consideration of 660,537 shares of the common stock of Aulea.
- (17) By an Order of the Supreme Court of Nova Scotia made May 1, 2023, as amended and restated by an Order of the Court made May 5, 2023, IMV, Inc. ("IMV") commenced proceedings (the "CCAA Proceedings") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended to seek creditor protection for IMV and on June 2, 2023, IMV obtained recognition of the CCAA Proceedings under Chapter 15 of the *United States Bankruptcy Code* in proceedings before the United States Bankruptcy Court for the District of Delaware. In September 2023, the Company, with its co-lender to IMV, credit-bid and acquired substantially all of the assets of IMV through HIMV LLC, an entity formed to acquire the assets of IMV. HIMV LLC is 70% owned by the Company and 30% owned by the co-lender.
- (18) On January 11, 2024, Nexii Building Solutions Inc., and its affiliates, obtained an Initial Order under the *Companies' Creditors Arrangement Act* from the Supreme Court of British Columbia in Vancouver. The Initial Order provides for, among other things, a stay of proceedings in favor of Nexii, the approval of debtor-in-possession financing and the appointment of KSV Restructuring Inc. as monitor of Nexii.
- (19) Debt investment has a partial PIK feature in which (a) a portion of the accrued interest on the debt investment, in an amount equal to four and one half percent (4.5%) on the then-outstanding principal amount of the debt investment is added to the then-outstanding principal amount of the debt investment and (b) the remaining accrued interest on the debt investment is paid in cash.

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**Horizon Technology Finance Corporation and Subsidiaries**

**Consolidated Schedule of Investments  
December 31, 2023  
(Dollars in thousands)**

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
<b>Non-Affiliate Investments — 214.2% (8)</b>												
<b>Non-Affiliate Debt Investments — 205.0% (8)</b>												
<b>Non-Affiliate Debt Investments — Life Science — 75.6% (8)</b>												
Castle Creek Biosciences, Inc. (2)(12)	Biotechnology	Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	\$ 5,000	\$ 4,979	\$ 4,979
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	5,000	4,979	4,979
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	3,000	2,987	2,987
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	5,000	4,979	4,979
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	5,000	4,979	4,979
		Term Loan	13.25%	Prime	4.75%	9.55%	13.50%	5.50%	May 1, 2026	3,000	2,987	2,987
Emalex Biosciences, Inc. (2)(12)	Biotechnology	Term Loan	13.22%	Prime	4.72%	9.75%	-	5.00%	June 1, 2024	1,414	1,410	1,410
		Term Loan	13.22%	Prime	4.72%	9.75%	-	5.00%	June 1, 2024	1,414	1,410	1,410
		Term Loan	13.22%	Prime	4.72%	9.75%	-	5.00%	November 1, 2025	5,000	4,950	4,950
Greenlight Biosciences, Inc. (2)(12)	Biotechnology	Term Loan	13.22%	Prime	4.72%	9.75%	-	5.00%	May 1, 2026	5,000	4,949	4,949
		Term Loan	14.25%	Prime	5.75%	9.00%	-	3.00%	July 1, 2025	3,000	2,914	2,870
		Term Loan	14.25%	Prime	5.75%	9.00%	-	3.00%	July 1, 2025	1,500	1,458	1,436
KSQ Therapeutics, Inc. (2)(12)	Biotechnology	Term Loan	13.25%	Prime	4.75%	8.50%	-	5.50%	May 1, 2027	6,250	6,199	6,199
		Term Loan	13.25%	Prime	4.75%	8.50%	-	5.50%	May 1, 2027	6,250	6,199	6,199
Native Microbials, Inc (2)(12)	Biotechnology	Term Loan	13.75%	Prime	5.25%	8.50%	-	5.00%	November 1, 2026	3,750	3,716	3,716
		Term Loan	13.75%	Prime	5.25%	8.50%	-	5.00%	November 1, 2026	2,500	2,478	2,478
PDS Biotechnology Corporation (2)(5)(12)	Biotechnology	Term Loan	14.25%	Prime	5.75%	9.75%	-	3.75%	September 1, 2026	10,000	9,911	9,911
		Term Loan	14.25%	Prime	5.75%	9.75%	-	3.75%	September 1, 2026	3,750	3,717	3,717
		Term Loan	14.25%	Prime	5.75%	9.75%	-	3.75%	September 1, 2026	3,750	3,717	3,717
Provivi, Inc. (2)(12)	Biotechnology	Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	4,666	4,579	4,414
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	4,666	4,579	4,414
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	2,333	2,281	2,199
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	2,333	2,281	2,199
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	2,333	2,278	2,196
		Term Loan	13.86%	Prime	5.36%	9.50%	-	5.50%	December 1, 2024	2,333	2,278	2,196
Stealth Biotherapeutics Inc. (2)(12)	Biotechnology	Term Loan	14.00%	Prime	5.50%	8.75%	-	6.00%	October 1, 2025	4,250	4,193	4,193
		Term Loan	14.00%	Prime	5.50%	8.75%	-	6.00%	October 1, 2025	2,125	2,096	2,096
Tallac Therapeutics, Inc. (2)(12)	Biotechnology	Term Loan	12.75%	Prime	4.25%	12.25%	-	4.00%	August 1, 2027	2,500	2,230	2,230
		Term Loan	12.75%	Prime	4.25%	12.25%	-	4.00%	August 1, 2027	2,500	2,459	2,459
		Term Loan	9.00%	Fixed	-	-	-	18.00%	April 1, 2028	2,500	2,468	2,342
Aerobiotix, LLC (2)(12)	Medical Device	Term Loan	9.00%	Fixed	-	-	-	18.00%	April 1, 2028	2,500	2,468	2,342
		Term Loan	9.00%	Fixed	-	-	-	18.00%	June 30, 2024	200	200	190
		Term Loan	12.00%	Prime	3.50%	11.50%	-	5.00%	September 1, 2027	5,000	4,757	4,757
Candesant Biomedical, Inc. (2)(12)	Medical Device	Term Loan	12.00%	Prime	3.50%	11.50%	-	5.00%	September 1, 2027	2,500	2,454	2,454
		Term Loan	12.00%	Prime	3.50%	11.50%	-	5.00%	September 1, 2027	2,500	2,454	2,454
		Term Loan	12.00%	Prime	3.50%	11.50%	-	5.00%	September 1, 2027	2,500	2,454	2,454
Ceribell, Inc. (2)(12)	Medical Device	Term Loan	12.00%	Prime	3.50%	8.25%	-	5.50%	October 1, 2024	3,750	3,738	3,738
		Term Loan	12.00%	Prime	3.50%	8.25%	-	5.50%	October 1, 2024	3,750	3,738	3,738
		Term Loan	12.00%	Prime	3.50%	8.25%	-	5.50%	October 1, 2024	1,875	1,866	1,866
		Term Loan	12.00%	Prime	3.50%	8.25%	-	5.50%	October 1, 2024	1,875	1,866	1,866
Cognoa, Inc. (2)(12)	Medical Device	Term Loan	14.00%	Prime	5.50%	8.75%	-	6.00%	August 1, 2026	4,583	4,546	4,546
		Term Loan	14.00%	Prime	5.50%	8.75%	-	6.00%	August 1, 2026	2,292	2,273	2,273
Conventus Orthopaedics, Inc. (2)(12)	Medical Device	Term Loan	13.32%	Prime	4.82%	9.25%	-	10.36%	July 1, 2025	3,960	3,923	3,923
		Term Loan	13.32%	Prime	4.82%	9.25%	-	10.36%	July 1, 2025	3,960	3,923	3,923
CSA Medical, Inc. (2)(12)	Medical Device	Term Loan	13.59%	Prime	5.09%	10.00%	-	5.00%	January 1, 2024	500	500	500
		Term Loan	13.59%	Prime	5.09%	10.00%	-	5.00%	January 1, 2024	33	33	33
		Term Loan	13.59%	Prime	5.09%	10.00%	-	5.00%	March 1, 2024	800	794	794
MicroTransponder, Inc. (2)(12)	Medical Device	Term Loan	12.25%	Prime	3.75%	12.25%	-	3.50%	January 1, 2029	3,750	3,689	3,689
		Term Loan	12.25%	Prime	3.75%	12.25%	-	3.50%	January 1, 2029	3,750	3,689	3,689

See Notes to Consolidated Financial Statements



**Horizon Technology Finance Corporation and Subsidiaries**
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(Dollars in thousands)**

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
Robin Healthcare, Inc. (2)(12)(13)	Medical Device	Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	November 1, 2026	3,500	3,469	1,574
		Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	November 1, 2026	3,500	3,563	1,617
Scientia Vascular, Inc. (2)(12)	Medical Device	Term Loan	13.25%	Prime	4.75%	8.50%	-	5.00%	January 1, 2027	3,750	3,722	3,722
		Term Loan	13.25%	Prime	4.75%	8.50%	-	5.00%	January 1, 2027	3,750	3,722	3,722
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	January 1, 2027	5,000	4,943	4,943
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	January 1, 2027	5,000	4,900	4,900
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	September 1, 2027	2,500	2,297	2,297
Sonex Health, Inc. (2)(12)	Medical Device	Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	September 1, 2027	2,500	2,473	2,473
		Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	September 1, 2027	5,000	4,946	4,946
		Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	September 1, 2027	5,000	4,946	4,946
		Term Loan	12.00%	Prime	3.50%	11.75%	-	8.00%	October 1, 2025	5,000	4,978	4,978
Spineology, Inc. (2)(12)	Medical Device	Term Loan	15.50%	Prime	7.00%	10.25%	-	1.00%	April 1, 2026	2,500	2,489	2,489
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	July 1, 2027	3,500	3,467	3,467
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	July 1, 2027	3,500	3,467	3,467
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	July 1, 2027	3,500	3,456	3,456
		Term Loan	13.75%	Prime	5.25%	9.00%	-	5.00%	July 1, 2027	3,500	3,456	3,456
Vero Biotech, Inc. (2)(12)	Medical Device	Term Loan	12.25%	Prime	3.75%	12.25%	-	4.00%	January 1, 2029	15,000	14,675	14,675
		Term Loan	12.25%	Prime	3.75%	12.25%	-	4.00%	January 1, 2029	10,000	9,784	9,784
		Term Loan	12.25%	Prime	3.75%	12.25%	-	4.00%	January 1, 2029	5,000	4,892	4,892
		Term Loan	12.25%	Prime	3.75%	12.25%	-	4.00%	January 1, 2029	2,500	2,446	2,446
Total Non-Affiliate Debt Investments — Life Science											249,642	244,815
Non-Affiliate Debt Investments — Sustainability — 24.6% (8)												
New Aerofarms, Inc. assignee of Aerofarms, Inc. (2)(12)(15)	Other Sustainability	Term Loan	15.25%	Prime	6.75%	10.00%	-	4.33%	December 1, 2026	3,750	3,685	3,685
		Term Loan	15.25%	Prime	6.75%	10.00%	-	4.33%	December 1, 2026	3,750	3,685	3,685
Nexii Building Solutions, Inc. (2)(12)(13)(14)(18)	Other Sustainability	Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	8,425	8,353	4,549
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	8,425	8,229	4,481
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	8,425	8,229	4,481
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	5,617	5,480	2,984
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	2.50%	March 31, 2024	5,617	5,480	2,984
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	735	726	395
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	586	578	315
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	292	288	157
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	290	286	156
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	174	172	93
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	802	791	431
		Term Loan	15.50(11)%	Prime	7.00%	10.25%	-	-	March 31, 2024	1,091	1,083	590
		Soli Organic, Inc. (2)(12)	Other Sustainability	Term Loan	15.25%	Prime	6.75%	10.00%	-	2.75%	April 1, 2026	5,000
Term Loan	15.25%			Prime	6.75%	10.00%	-	2.75%	April 1, 2026	2,500	2,479	2,479
Term Loan	15.25%			Prime	6.75%	10.00%	-	2.75%	May 1, 2026	5,000	4,956	4,956
Term Loan	15.25%			Prime	6.75%	10.00%	-	2.75%	May 1, 2026	2,500	2,478	2,478
Term Loan	14.00%			Prime	5.50%	11.75%	-	2.75%	December 1, 2026	5,000	4,934	4,934
Temperpack Technologies, Inc. (2)(12)	Other Sustainability	Term Loan	14.00%	Prime	5.50%	11.75%	-	2.75%	December 1, 2026	2,500	2,467	2,467
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	3,750	3,694	3,694
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	7,500	7,379	7,379
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	3,750	3,690	3,690
		Term Loan	15.25%	Prime	6.75%	10.00%	-	2.50%	April 1, 2028	3,750	3,690	3,690
		Term Loan	14.50%	Prime	6.00%	10.00%	-	2.00%	January 1, 2029	4,500	4,446	4,446
		Term Loan	14.50%	Prime	6.00%	10.00%	-	2.00%	January 1, 2029	2,000	1,976	1,976
		Term Loan	14.50%	Prime	6.00%	10.00%	-	2.00%	January 1, 2029	2,000	1,976	1,976
Total Non-Affiliate Debt Investments — Sustainability											97,907	79,828

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**Horizon Technology Finance Corporation and Subsidiaries**
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Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
<b>Non-Affiliate Debt Investments — Technology — 83.3% (8)</b>												
Axiom Space, Inc. (2)(12)	Communications	Term Loan	14.50%	Prime	6.00%	9.25%	-	2.50%	June 1, 2026	6,250	6,218	6,218
		Term Loan	14.50%	Prime	6.00%	9.25%	-	2.50%	June 1, 2026	6,250	6,218	6,218
		Term Loan	14.50%	Prime	6.00%	9.25%	-	2.50%	June 1, 2026	6,250	6,218	6,218
CAMP NYC, Inc. (2)(12)	Consumer-related Technologies	Term Loan	15.75%	Prime	7.25%	10.50%	-	3.00%	May 1, 2026	3,383	3,356	3,356
Clara Foods Co. (2)(12)	Consumer-related Technologies	Term Loan	14.25%	Prime	5.75%	9.00%	-	5.50%	August 1, 2025	1,667	1,656	1,656
		Term Loan	14.25%	Prime	5.75%	9.00%	-	5.50%	August 1, 2025	1,583	1,573	1,573
Divergent Technologies, Inc. (2)(12)	Consumer-related Technologies	Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	3,750	3,608	3,608
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	1,250	1,242	1,242
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	3,750	3,726	3,726
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	1,250	1,242	1,242
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	3,750	3,726	3,726
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2027	1,250	1,242	1,242
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	January 1, 2028	3,750	3,712	3,712
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	January 1, 2028	3,750	3,712	3,712
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	April 1, 2028	3,750	3,706	3,706
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2028	3,750	3,707	3,707
		Term Loan	11.25%	Prime	6.00%	9.50%	11.25%	3.00%	July 1, 2028	3,750	3,707	3,707
Havenly, Inc. (2)(12)	Consumer-related Technologies	Term Loan	13.50%	Prime	5.00%	5.00%	-	4.00%	March 1, 2027	2,000	1,421	1,421
		Term Loan	13.50%	Prime	5.00%	5.00%	-	4.00%	March 1, 2027	3,000	2,131	2,131
		Term Loan	12.00%	Prime	3.50%	10.50%	-	7.78%	February 1, 2028	2,813	2,813	2,813
		Term Loan	12.00%	Prime	3.50%	10.50%	-	7.78%	February 1, 2028	2,813	2,813	2,813
Lyrical Foods, Inc. (2)(12)	Consumer-related Technologies	Term Loan	12.00%	Prime	3.50%	9.00%	-	1.00%	September 1, 2027	2,500	2,591	2,429
MyForest Foods Co. (2)(12)	Consumer-related Technologies	Term Loan	15.25%	Prime	6.75%	10.00%	-	3.00%	October 1, 2025	3,667	3,647	3,647
		Term Loan	15.25%	Prime	6.75%	10.00%	-	3.00%	October 1, 2025	1,833	1,824	1,824
NextCar Holding Company, Inc. (2)(12)	Consumer-related Technologies	Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	5,752	5,752	5,018
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,301	2,301	2,007
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,876	2,876	2,509
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	3,451	3,451	3,011
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,876	2,876	2,510
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,876	2,876	2,510
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	5,752	5,752	5,018
		Term Loan	14.25(11)%	Prime	5.75%	9.00%	-	5.25%	October 31, 2023	2,876	2,876	2,510
Optoro, Inc. (2)(12)	Consumer-related Technologies	Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	August 1, 2027	2,500	2,416	2,416
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	July 1, 2028	1,875	1,787	1,787
Unagi, Inc. (2)(12)(13)	Consumer-related Technologies	Term Loan	16.25(11)%	Prime	7.75%	11.00%	-	-	May 1, 2027	1,204	1,086	872
		Term Loan	16.25(11)%	Prime	7.75%	11.00%	-	-	May 1, 2027	602	543	436
		Term Loan	16.25(11)%	Prime	7.75%	11.00%	-	-	May 1, 2027	602	543	436
Liquid, Inc. (2)(12)	Networking	Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	1,500	1,481	1,481
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	1,500	1,481	1,481
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	750	740	740
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	667	656	656
		Term Loan	14.75%	Prime	6.25%	9.50%	-	4.00%	September 1, 2024	750	729	729
BriteCore Holdings, Inc. (2)(12)	Software	Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	October 1, 2028	5,000	4,860	4,860
		Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	October 1, 2028	2,500	2,466	2,466
		Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	October 1, 2028	2,500	2,466	2,466
		Term Loan	14.00%	Prime	5.50%	14.00%	-	3.00%	October 1, 2028	2,500	2,466	2,466

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**Horizon Technology Finance Corporation and Subsidiaries**
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**(Dollars in thousands)**

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
Dropoff, Inc. (2)(12)	Software	Term Loan	15.00(19)%	Prime	6.50%	9.75%	-	3.50%	April 1, 2026	6,625	6,519	6,176
		Term Loan	15.00(19)%	Prime	6.50%	9.75%	-	3.50%	April 1, 2026	6,116	6,018	5,701
Engage3, LLC (2)(12)	Software	Term Loan	15.00(19)%	Prime	6.50%	9.75%	-	3.50%	August 1, 2026	2,548	2,507	2,375
		Term Loan	14.75%	Prime	6.25%	9.75%	-	4.50%	July 1, 2027	3,750	3,728	3,728
		Term Loan	14.75%	Prime	6.25%	9.75%	-	4.50%	July 1, 2027	3,750	3,728	3,728
Kodiak Robotics, Inc. (2)(12)	Software	Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	April 1, 2026	10,000	9,895	9,895
		Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	April 1, 2026	10,000	9,895	9,895
		Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	April 1, 2026	5,000	4,947	4,947
		Term Loan	14.00%	Prime	5.50%	10.25%	-	4.00%	April 1, 2026	5,000	4,947	4,947
Lemongrass Holdings, Inc. (2)(12)	Software	Term Loan	15.00%	Prime	6.50%	9.75%	-	2.50%	March 1, 2026	5,000	4,971	4,971
		Term Loan	15.00%	Prime	6.50%	9.75%	-	2.50%	March 1, 2026	2,500	2,486	2,486
		Term Loan	14.50%	Prime	6.00%	14.25%	-	4.00%	November 1, 2026	2,500	2,471	2,373
Lytics, Inc. (2)(12)	Software	Term Loan	14.50%	Prime	6.00%	14.25%	-	4.00%	December 1, 2026	1,250	1,237	1,188
		Term Loan	14.50%	Prime	6.00%	14.25%	-	4.00%	April 1, 2027	1,000	994	954
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,779	4,779
Mirantis, Inc. (2)(12)	Software	Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,915	4,915
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,915	4,915
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,915	4,915
Noodle Partners, Inc. (2)(12)	Software	Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2028	5,000	4,915	4,915
		Term Loan	13.50%	Prime	5.00%	12.00%	-	3.00%	March 1, 2027	10,000	9,885	9,885
		Term Loan	13.50%	Prime	5.00%	12.00%	-	3.00%	March 1, 2027	5,000	4,942	4,942
		Term Loan	13.50%	Prime	5.00%	12.00%	-	3.00%	March 1, 2027	5,000	4,942	4,942
Reputation Institute, Inc. (2)(12)	Software	Term Loan	15.75%	Prime	7.25%	10.50%	-	3.00%	August 1, 2025	3,667	3,625	3,625
Slingshot Aerospace, Inc. (2)(12)	Software	Term Loan	14.25%	Prime	5.75%	9.75%	-	5.00%	August 1, 2026	5,000	4,959	4,959
		Term Loan	14.25%	Prime	5.75%	9.75%	-	5.00%	August 1, 2026	5,000	4,959	4,959
		Term Loan	14.25%	Prime	5.75%	9.75%	-	5.00%	August 1, 2026	5,000	4,959	4,959
		Term Loan	14.25%	Prime	5.75%	9.75%	-	5.00%	August 1, 2026	5,000	4,959	4,959
Supply Network Visibility Holdings LLC (2)(12)	Software	Term Loan	12.75%	Prime	4.25%	12.00%	-	2.50%	June 1, 2028	2,500	2,457	2,457
		Term Loan	12.75%	Prime	4.25%	12.00%	-	2.50%	June 1, 2028	3,500	3,489	3,489
		Term Loan	12.75%	Prime	4.25%	12.00%	-	2.50%	June 1, 2028	2,500	2,492	2,492
		Term Loan	12.75%	Prime	4.25%	12.00%	-	2.50%	June 1, 2028	1,500	1,495	1,495
Wiken Detection Corporation (2)(12)	Software	Term Loan	12.50%	Prime	4.00%	11.75%	-	3.50%	June 1, 2027	5,000	4,773	4,773
		Term Loan	12.50%	Prime	4.00%	11.75%	-	3.50%	June 1, 2027	2,500	2,467	2,467
		Term Loan	12.50%	Prime	4.00%	11.75%	-	3.50%	June 1, 2027	2,500	2,467	2,467
Total Non-Affiliate Debt Investments — Technology											275,026	269,790
<b>Non-Affiliate Debt Investments</b>												
<b>— Healthcare information and services — 21.5% (8)</b>												
Hound Labs inc. (2)(12)	Diagnostics	Term Loan	14.50%	Prime	6.00%	9.25%	-	3.50%	June 1, 2026	2,500	2,484	2,484
		Term Loan	14.50%	Prime	6.00%	9.25%	-	3.50%	June 1, 2026	2,500	2,484	2,484
		Term Loan	14.50%	Prime	6.00%	9.25%	-	3.50%	June 1, 2026	5,000	4,968	4,968
Parse Biosciences, Inc. (2)(12)	Diagnostics	Term Loan	11.75%	Prime	3.25%	11.50%	-	5.00%	January 1, 2028	5,000	4,633	4,633
		Term Loan	11.75%	Prime	3.25%	11.50%	-	5.00%	January 1, 2028	5,000	4,884	4,884
BrightInsight, Inc. (2)(12)	Software	Term Loan	14.00%	Prime	5.50%	9.50%	-	3.00%	August 1, 2027	7,000	6,684	6,684
		Term Loan	14.00%	Prime	5.50%	9.50%	-	3.00%	August 1, 2027	3,500	3,463	3,463
		Term Loan	14.00%	Prime	5.50%	9.50%	-	3.00%	August 1, 2027	3,500	3,463	3,463
		Term Loan	14.00%	Prime	5.50%	9.50%	-	3.00%	April 1, 2028	2,750	2,710	2,710
Elligo Health Research, Inc. (2)(12)	Software	Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2027	10,000	9,656	9,656
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2027	5,000	4,925	4,925
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2027	5,000	4,925	4,925
		Term Loan	12.00%	Prime	3.50%	11.75%	-	4.00%	October 1, 2027	5,000	4,925	4,925
SafelyYou, Inc. (2)(12)	Software	Term Loan	11.75%	Prime	3.25%	11.00%	-	5.00%	June 1, 2027	5,000	4,648	4,648
		Term Loan	11.75%	Prime	3.25%	11.00%	-	5.00%	June 1, 2027	5,000	4,918	4,918
		Term Loan	11.75%	Prime	3.25%	11.00%	-	5.00%	June 1, 2027	5,000	4,918	4,918
Total Non-Affiliate Debt Investments — Healthcare information and services											69,770	69,770
<b>Total Non-Affiliate Debt Investments</b>											<b>692,345</b>	<b>664,203</b>

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**Horizon Technology Finance Corporation and Subsidiaries**
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<b>Portfolio Company (1)(3)</b>	<b>Sector</b>	<b>Type of Investment (7)</b>	<b>Number of Shares</b>	<b>Cost of Investments (6)(9)</b>	<b>Fair Value (9)</b>
<b>Non-Affiliate Warrant Investments — 7.6% (8)</b>					
<b>Non-Affiliate Warrants — Life Science — 2.3% (8)</b>					
Avalo Therapeutics, Inc. (2)(5)(12)	Biotechnology	Common Stock Warrant	117	311	—
Castle Creek Biosciences, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	7,404	214	318
Emalex Biosciences, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	110,402	178	246
Imunon, Inc. (2)(5)(12)	Biotechnology	Common Stock Warrant	19,671	65	—
KSQ Therapeutics, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	48,076	50	53
Mustang Bio, Inc. (2)(5)(12)	Biotechnology	Common Stock Warrant	16,611	146	—
Native Microbials, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	103,679	64	157
PDS Biotechnology Corporation (2)(5)(12)	Biotechnology	Common Stock Warrant	299,848	160	606
Provivi, Inc. (2)(12)	Biotechnology	Common Stock Warrant	175,098	278	—
Provivi, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	691,895	312	225
Stealth Biotherapeutics Inc. (2)(12)	Biotechnology	Common Stock Warrant	318,181	264	113
Tallac Therapeutics, Inc. (2)(12)	Biotechnology	Preferred Stock Warrant	1,600,002	194	172
Xeris Pharmaceuticals, Inc. (2)(5)(12)	Biotechnology	Common Stock Warrant	126,000	72	33
AccuVein Inc. (2)(12)	Medical Device	Common Stock Warrant	1,175	24	—
Aerin Medical, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	1,818,183	66	1,199
Aerobiotix, LLC (2)(12)	Medical Device	Preferred Stock Warrant	8,800	48	9
Canary Medical Inc. (2)(12)	Medical Device	Preferred Stock Warrant	12,153	86	1,305
Candesant Biomedical, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	93,336	152	135
Ceribell, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	145,483	69	229
Cognoa, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	4,106,174	149	167
Conventus Orthopaedics, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	7,972,222	221	206
CSA Medical, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	3,341,376	174	124
CVRx, Inc. (2)(5)(12)	Medical Device	Common Stock Warrant	47,410	76	980
Infobionic, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	2,010,424	124	26
Magnolia Medical Technologies, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	809,931	194	368
Medtrina, Inc. (12)	Medical Device	Preferred Stock Warrant	233,993	83	93
MicroTransponder, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	103,172	47	47
Scientia Vascular, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	34,410	103	215
Sonex Health, Inc. (2)(12)	Medical Device	Preferred Stock Warrant	2,637,043	275	269
VERO Biotech LLC (2)(12)	Medical Device	Preferred Stock Warrant	4,109	432	379
Swift Health Systems Inc. (2)(12)	Medical Device	Preferred Stock Warrant	135,484	71	1
<b>Total Non-Affiliate Warrants — Life Science</b>				<b>4,702</b>	<b>7,675</b>

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<b>Portfolio Company (1)(3)</b>	<b>Sector</b>	<b>Type of Investment (7)</b>	<b>Number of Shares</b>	<b>Cost of Investments (6)(9)</b>	<b>Fair Value (9)</b>
<b>Non-Affiliate Warrants — Sustainability — 0.2% (8)</b>					
New AeroFarms, Inc. assignee of AeroFarms, Inc. (2)(12) (15)	Other Sustainability	Preferred Stock Warrant	400,000	81	72
LiquiGlide, Inc. (2)(12)	Other Sustainability	Common Stock Warrant	61,359	39	50
Nexii Building Solutions, Inc. (2)(12)(14)(18)	Other Sustainability	Common Stock Warrant	215,171	490	—
Soli Organic, Inc. (2)(12)	Other Sustainability	Preferred Stock Warrant	681	214	340
Temperpack Technologies, Inc. (2)(12)	Other Sustainability	Preferred Stock Warrant	46,311	175	80
<b>Total Non-Affiliate Warrants — Sustainability</b>				<b>999</b>	<b>542</b>
<b>Non-Affiliate Warrants — Technology — 4.5% (8)</b>					
Axiom Space, Inc. (2)(12)	Communications	Common Stock Warrant	1,991	47	61
Intelepeer Holdings, Inc. (2)(12)	Communications	Preferred Stock Warrant	2,936,535	138	3,036
PebblePost, Inc. (2)(12)	Communications	Preferred Stock Warrant	598,850	92	131
Alula Holdings, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	20,000	93	—
Aterian, Inc. (2)(5)(12)	Consumer-related Technologies	Common Stock Warrant	76,923	195	—
Caastle, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	268,591	65	1,055
CAMP NYC, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	75,997	22	27
Clara Foods Co. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	46,745	29	122
CZV, Inc. (2)(12)	Consumer-related Technologies	Common Stock Warrant	65,569	81	71
Divergent Technologies, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	37,282	94	250
Havenly, Inc. (2)(12)	Consumer-related Technologies	Common Stock Warrant	1,312,500	2,947	2,259
MyForest Foods Co. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	250	29	56
NextCar Holding Company, Inc. (2)(12)	Consumer-related Technologies	Common Stock Warrant	12,618	188	—
NextCar Holding Company, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	1,224,752	9	—
Optoro, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	11,550	182	145
Primary Kids, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	553,778	57	591
Quip NYC Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	6,191	325	533
Unagi, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	171,081	32	—
Updater, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock Warrant	114,659	34	—
CPG Beyond, Inc. (2)(12)	Data Storage	Preferred Stock Warrant	500,000	242	294
Silk, Inc. (2)(12)	Data Storage	Preferred Stock Warrant	394,110	175	124
Global Worldwide LLC (2)(12)	Internet and Media	Preferred Stock Warrant	245,810	75	63
Rocket Lawyer Incorporated (2)(12)	Internet and Media	Preferred Stock Warrant	261,721	92	318
Skillshare, Inc. (2)(12)	Internet and Media	Preferred Stock Warrant	139,074	162	1,201
Liquid, Inc. (2)(12)	Networking	Preferred Stock Warrant	344,102	364	210
Halio, Inc. (2)(12)	Power Management	Common Stock Warrant	38,241,466	1,585	2,700
Avalanche Technology, Inc. (2)(12)	Semiconductors	Preferred Stock Warrant	5,938	45	—
BriteCore Holdings, Inc. (2)(12)	Software	Preferred Stock Warrant	161,215	98	174
Dropoff, Inc. (2)(12)	Software	Common Stock Warrant	516,732	455	46
E La Carte, Inc. (2)(5)(12)	Software	Common Stock Warrant	147,361	60	—
Everstream Holdings, LLC (2)(12)	Software	Preferred Stock Warrant	350,000	70	63
Kodiak Robotics, Inc. (2)(12)	Software	Preferred Stock Warrant	639,918	273	13
Lemongrass Holdings, Inc. (2)(12)	Software	Preferred Stock Warrant	101,308	32	120
Lotame Solutions, Inc. (2)(12)	Software	Preferred Stock Warrant	71,305	18	42
Lytics, Inc. (2)(12)	Software	Preferred Stock Warrant	85,543	43	1
Mirantis, Inc. (2)(12)	Software	Common Stock Warrant	948,275	223	247
Noodle Partners, Inc. (2)(12)	Software	Preferred Stock Warrant	84,037	115	2
Reputation Institute, Inc. (2)(12)	Software	Preferred Stock Warrant	3,731	56	80
Revinatate Holdings, Inc. (2)(12)	Software	Preferred Stock Warrant	682,034	44	91
SIGNiX, Inc. (12)	Software	Preferred Stock Warrant	186,235	225	—
Slingshot Aerospace, Inc. (2)(12)	Software	Preferred Stock Warrant	309,208	123	135
Supply Network Visibility Holdings LLC (2)(12)	Software	Preferred Stock Warrant	682	64	135
Topia Mobility, Inc. (2)(12)	Software	Preferred Stock Warrant	3,049,607	138	—
Viken Detection Corporation (2)(12)	Software	Preferred Stock Warrant	345,443	120	105
xAd, Inc. (2)(12)	Software	Preferred Stock Warrant	4,343,348	177	5
<b>Total Non-Affiliate Warrants — Technology</b>				<b>9,733</b>	<b>14,506</b>

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(Dollars in thousands)**

<b>Portfolio Company (1)(3)</b>	<b>Sector</b>	<b>Type of Investment (7)</b>	<b>Number of Shares</b>	<b>Cost of Investments (6)(9)</b>	<b>Fair Value (9)</b>
<b>Non-Affiliate Warrants — Healthcare information and services — 0.6% (8)</b>					
Hound Labs, Inc (2) (12)	Diagnostics	Preferred Stock Warrant	171,370	46	12
Parse Biosciences, Inc. (2)(12)	Diagnostics	Common Stock Warrant	32,244	70	70
Parse Biosciences, Inc. (2)(12)	Diagnostics	Preferred Stock Warrant	184,253	166	166
Kate Farms, Inc. (2)(12)	Other Healthcare	Preferred Stock Warrant	82,965	102	1,366
BrightInsight, Inc. (2)(12)	Software	Preferred Stock Warrant	85,066	167	—
Elligo Health Research, Inc. (2)(12)	Software	Preferred Stock Warrant	652,250	192	99
Medsphere Systems Corporation (2)(12)	Software	Preferred Stock Warrant	7,097,792	60	108
SafelyYou, Inc. (2)(12)	Software	Preferred Stock Warrant	150,353	163	50
Total Non-Affiliate Warrants — Healthcare information and services				966	1,871
<b>Total Non-Affiliate Warrants</b>				<b>16,400</b>	<b>24,594</b>
<b>Non-Affiliate Other Investments — Life Science — 0.1% (8)</b>					
Lumithera, Inc. (12)	Medical Device	Royalty Agreement		1,200	200
ZetrOZ, Inc. (12)	Medical Device	Royalty Agreement		—	—
<b>Total Non-Affiliate Other Investments</b>				<b>1,200</b>	<b>200</b>
<b>Non-Affiliate Equity — 1.5% (8)</b>					
Cadrenal Therapeutics, Inc. (5)	Biotechnology	Common Stock	600,000	—	443
Castle Creek Biosciences, Inc. (12)	Biotechnology	Common Stock	1,162	250	250
Emalex Biosciences, Inc. (12)	Biotechnology	Common Stock	32,831	355	355
Axiom Space, Inc. (12)	Communication	Preferred Stock	1,810	261	306
Getaround, Inc. (2)(5)	Consumer-related Technologies	Common Stock	87,082	253	20
NextCar Holding Company, Inc. (2)(12)	Consumer-related Technologies	Preferred Stock	2,688,971	89	89
SnagAJob.com, Inc. (12)	Consumer-related Technologies	Common Stock	82,974	9	83
Lumithera, Inc. (12)	Medical Device	Common Stock	392,651	2,000	1,700
Tigo Energy, Inc. (5)	Other Sustainability	Common Stock	5,205	111	13
Decisyon, Inc. (12)	Software	Preferred Stock	280,000	2,800	1,281
Lotame, Inc. (12)	Software	Preferred Stock	66,127	4	193
<b>Total Non-Affiliate Equity</b>				<b>6,132</b>	<b>4,733</b>
<b>Total Non-Affiliate Portfolio Investment Assets</b>				<b>\$ 716,077</b>	<b>\$ 693,730</b>

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**Horizon Technology Finance Corporation and Subsidiaries**
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Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
<b>Non-Controlled Affiliate Investments — 0.3% (8)</b>												
<b>Non-Controlled Affiliate Debt Investments — Life Sciences — 0.3% (8)</b>												
Evelo Biosciences, Inc. (2)(5)(12)(13)	Biotechnology	Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	2.27%	January 1, 2028	5,532	5,228	222
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	2.27%	January 1, 2028	8,298	7,867	336
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	2.27%	January 1, 2028	3,319	3,137	133
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	2.27%	January 1, 2028	3,319	3,137	133
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	2.27%	January 1, 2028	2,213	2,091	88
		Term Loan	12.75(11) %	Prime	4.25%	11.00%	-	2.27%	January 1, 2028	2,213	2,091	88
<b>Total Non-Controlled Affiliate Debt Investments</b>											<u>23,551</u>	<u>1,000</u>

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Number of Shares	Cost of Investments (6)(9)	Fair Value (9)
<b>Non-controlled Affiliate Equity — Life Sciences — 0.0% (8)</b>					
Aulea Medical, Inc. (12)(16)	Medical Device	Common Stock	660,537	—	—
Evelo Biosciences, Inc. (5)	Biotechnology	Common Stock	2,164,502	5,000	132
<b>Total Non-Controlled Affiliate Equity</b>				<u>5,000</u>	<u>132</u>
<b>Non-controlled Affiliate Warrants — Life Sciences — 0.0% (8)</b>					
Evelo Biosciences, Inc. (2)(5)(12)	Biotechnology	Common Stock	23,196	126	—
<b>Total Non-Controlled Affiliate Warrants</b>				<u>126</u>	<u>—</u>
<b>Total Non-Controlled Affiliate Portfolio Investment Assets</b>				<u>\$ 28,677</u>	<u>\$ 1,132</u>

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Cash Rate (4)	Index	Margin	Floor	Ceiling	ETP (10)	Maturity Date	Principal Amount	Cost of Investments (6)(9)	Fair Value (9)
<b>Controlled Affiliate Investments — 4.4% (8)</b>												
<b>Controlled Affiliate Debt Investments — Technology — 1.6% (8)</b>												
Better Place Forests Co. (12)	Consumer-related Technologies	Term Loan	12.25(11) %	Prime	3.75%	12.00%	-	1.85%	August 1, 2029	3,547	3,585	3,339
		Term Loan	12.25(11) %	Prime	3.75%	12.00%	-	1.85%	August 1, 2029	1,773	1,750	1,630
<b>Total Controlled Affiliate Debt Investments</b>											<u>5,335</u>	<u>4,969</u>

Portfolio Company (1)(3)	Sector	Type of Investment (7)	Number of Shares	Cost of Investments (6)(9)	Fair Value (9)
<b>Controlled Affiliate Equity — Technology — 0.9% (8)</b>					
Better Place Forests Co. (12)	Consumer-related Technologies	Common Stock	2,278,272	2,061	2,165
Better Place Forests Co. (12)	Consumer-related Technologies	Preferred Stock	3,124,448	1,250	859
<b>Total Controlled Affiliate Equity</b>				<u>3,311</u>	<u>3,024</u>
<b>Controlled Affiliate Other Investments — Life Sciences — 1.9% (8)</b>					
HIMV LLC (12)(17)	Biotechnology	Other Investment		5,782	6,230
<b>Total Controlled Affiliate Other</b>				<u>5,782</u>	<u>6,230</u>
<b>Total Controlled Affiliate Portfolio Investment Assets</b>				<u>\$ 14,428</u>	<u>\$ 14,223</u>
<b>Total Portfolio Investment Assets — 218.9% (8)</b>				<u>\$ 759,182</u>	<u>\$ 709,085</u>

- All investments of the Company are in entities which are organized under the laws of the United States and have a principal place of business in the United States, unless otherwise noted.
- Has been pledged as collateral under the Key Facility, the NYL Facility and/or the 2022 Asset-Backed Notes.
- All non-affiliate investments are investments in which the Company owns less than 5% of the voting securities of the portfolio company. All non-controlled affiliate investments are investments in which the Company owns 5% or more of the voting securities of the portfolio company but not more than 25% of the voting securities of the portfolio company. All controlled affiliate investments are investments in which the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement).
- All interest is payable in cash due monthly in arrears, unless otherwise indicated, and applies only to the Company's debt investments. Interest rate is the annual interest rate on the debt investment and does not include ETPs, and any additional fees related to the investments, such as deferred interest, commitment fees or prepayment fees. Debt investments are at variable rates for the term of the debt investment, unless otherwise indicated. For each debt investment, the current interest rate in effect as of December 31, 2023 is provided.
- Portfolio company is a public company.
- For debt investments, represents principal balance less unearned income.
- Warrants, Equity and Other Investments are non-income producing.
- Value as a percent of net assets.
- As of December 31, 2023, 4.7% and 2.7% of the Company's total assets on a cost and fair value basis, respectively, are in non-qualifying assets. Under the 1940 Act, the Company may not acquire any non-qualifying assets unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- ETPs are contractual fixed-interest payments due in cash at the maturity date of the applicable debt investment, including upon any prepayment, and are a fixed percentage of the original principal balance of the debt investments unless otherwise noted. Interest will accrue during the life of the debt investment on each ETP and will be recognized as non-cash income until it is actually paid. Therefore, a portion of the incentive fee the Company may pay its Advisor will be based on income that the Company has not yet received in cash.

**Horizon Technology Finance Corporation and Subsidiaries**

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**(Dollars in thousands)**

- (11) Debt investment has a PIK feature in which the accrued interest is added to the then-outstanding principal amount of the debt investment.
- (12) The fair value of the investment was valued using significant unobservable inputs.
- (13) Debt investment is on non-accrual status as of December 31, 2023.
- (14) Entity is organized under the laws of Canada and has a principal place of business in Canada.
- (15) On or about September 13, 2023, in connection with New Aerofarms, Inc.'s purchase of substantially all of the assets of Aerofarms, Inc. in a bankruptcy process, New Aerofarms, Inc. assumed all of the debt investments of the Company in Aerofarms, Inc..
- (16) On July 31, 2023, pursuant to a certain Secured Party Bill of Sale and Transfer Agreement, the Company sold substantially all of the assets of Corinth MedTech, Inc., a borrower of the Company, to Aulea Medical Inc. ("Aulea") in consideration of 660,537 shares of the common stock of Aulea. By an Order of the Supreme Court of Nova Scotia made May 1, 2023, as amended and restated by an Order of the Court made May 5, 2023, IMV, Inc. ("IMV") commenced proceedings (the "CCAA Proceedings") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended to seek creditor protection for IMV and on June 2, 2023, IMV obtained recognition of the CCAA Proceedings under Chapter 15 of the *United States Bankruptcy Code* in proceedings before the United States Bankruptcy Court for the District of Delaware. In September 2023, the Company, with its co-lender to IMV, credit-bid and acquired substantially all of the assets of IMV through HIMV LLC, an entity formed to acquire the assets of IMV. HIMV LLC is 70% owned by the Company and 30% owned by the co-lender. On January 11, 2024, Nexii Building Solutions Inc., and its affiliates, obtained an Initial Order under the *Companies' Creditors Arrangement Act* from the Supreme Court of British Columbia in Vancouver. The Initial Order provides for, among other things, a stay of proceedings in favour of Nexii, the approval of debtor-in-possession financing and the appointment of KSV Restructuring Inc. as monitor of Nexii.
- (18) Debt investment has a partial PIK feature in which (a) a portion of the accrued interest on the debt investment, in an amount equal to four and one half percent (4.5%) on the then-outstanding principal amount of the debt investment is added to the then-outstanding principal amount of the debt investment and (b) the remaining accrued interest on the debt investment is paid in cash.
- (19)

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**Horizon Technology Finance Corporation and Subsidiaries**  
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**Note 1. Organization**

Horizon Technology Finance Corporation (the “Company”) was organized as a Delaware corporation on March 16, 2010 and is an externally managed, non-diversified, closed-end investment company. The Company has elected to be regulated as a business development company (“BDC”) under the 1940 Act. In addition, for tax purposes, the Company has elected to be treated as a regulated investment company (“RIC”) as defined under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). As a RIC, the Company generally is not subject to corporate-level federal income tax on the portion of its taxable income (including net capital gains) the Company distributes to its stockholders. The Company primarily makes secured debt investments to development-stage companies in the technology, life science, healthcare information and services and sustainability industries. All of the Company’s debt investments consist of loans secured by all of, or a portion of, the applicable debtor company’s tangible and intangible assets.

On October 28, 2010, the Company completed an initial public offering (“IPO”) and its common stock trades on the Nasdaq Global Select Market under the symbol “HRZN”.

Horizon Credit II LLC (“Credit II”) was formed as a Delaware limited liability company on June 28, 2011, with the Company as its sole equity member. Credit II is a special purpose bankruptcy-remote entity and is a separate legal entity from the Company. Any assets conveyed to Credit II are not available to creditors of the Company or any other entity other than Credit II’s lenders.

The Company formed Horizon Funding 2019-1 LLC (“2019-1 LLC”) as a Delaware limited liability company on May 2, 2019 and Horizon Funding Trust 2019-1 as a Delaware statutory trust on May 15, 2019 (“2019-1 Trust” and, together with the 2019-1 LLC, the “2019-1 Entities”). The 2019-1 Entities are special purpose bankruptcy remote entities and are separate legal entities from the Company. The Company formed the 2019-1 Entities for purposes of securitizing the term debt securitization in connection with which an affiliate of the Company made an offering of \$100.0 million in aggregate principal amount of fixed rate asset-backed notes that were issued in conjunction with the \$160.0 million securitization of secured loans the Company completed on August 13, 2019 (the “2019 Asset-Backed Notes”). The 2019-1 Entities have been dissolved as of March 31, 2024.

Horizon Funding I, LLC (“HFI”) was formed as a Delaware limited liability company on May 9, 2018, with Horizon Secured Loan Fund I LLC, a Delaware limited liability company (“HSLFI”) as its sole member. HFI is a special purpose bankruptcy-remote entity and is a separate legal entity from HSLFI. Any assets conveyed to HFI are not available to creditors of HSLFI or any other entity other than HFI’s lenders. As of April 21, 2020, HSLFI and its subsidiary, HFI, are consolidated by the Company.

The Company formed Horizon Funding 2022-1 LLC (“2022-1 LLC”) as a Delaware limited liability company on September 30, 2022 and Horizon Funding Trust 2022-1 as a Delaware statutory trust on October 18, 2022 (“2022-1 Trust” and, together with the 2022-1 LLC, the “2022-1 Entities”). The 2022-1 Entities are special purpose bankruptcy remote entities and are separate legal entities from the Company. The Company formed the 2022-1 Entities for purposes of securitizing the 2022 Asset-Backed Notes.

The Company has established wholly owned subsidiaries, which are structured as Delaware limited liability companies, either to hold assets of portfolio companies acquired in connection with a foreclosure or bankruptcy or to hold equity in portfolio companies which the Company may control. Such wholly-owned subsidiaries are separate legal entities from the Company.

The Company, together with its co-lender to IMV, established HIMV LLC, a Delaware limited liability company to purchase and sell the assets of IMV, a borrower of the Company. HIMV LLC is 70% owned by the Company and 30% owned by the co-lender.

The Company’s investment strategy is to maximize the investment portfolio’s return by generating current income from the debt investments the Company makes and capital appreciation from the warrants the Company receives when making such debt investments. The Company has entered into an investment management agreement with Horizon Technology Finance Management LLC (the “Advisor”) under which the Advisor manages the day-to-day operations of, and provides investment advisory services to, the Company.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 2. Basis of presentation and significant accounting policies**

The consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X (“Regulation S-X”) under the Securities Act of 1933, as amended (the “Securities Act”). In the opinion of management, the consolidated financial statements reflect all adjustments and reclassifications, consisting solely of normal recurring accruals, that are necessary for the fair presentation of financial results as of and for the periods presented. All intercompany balances and transactions have been eliminated. The current period’s results of operations are not necessarily indicative of results that ultimately may be achieved for the year. Therefore, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto as of and for the year ended December 31, 2023.

***Principles of consolidation***

As required under GAAP and Regulation S-X, the Company will generally consolidate its investment in a company that is an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the results of the Company’s wholly-owned subsidiaries in its consolidated financial statements.

Assets related to transactions that do not meet Accounting Standards Codification (“ASC”) Topic 860, *Transfers and Servicing* requirements for accounting sale treatment are reflected in the Company’s Consolidated Statements of Assets and Liabilities as investments. Those assets are owned by special purpose entities, including 2019-1 Entities and 2022-1 Entities, that are consolidated in the Company’s consolidated financial statements. The creditors of the special purpose entities have received security interests in such assets, and such assets are not intended to be available to the creditors of the Company (or any affiliate of the Company).

***Use of estimates***

In preparing the consolidated financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, as of the date of the balance sheet and income and expenses for the period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the valuation of investments.

***Fair value***

The Company records all of its investments at fair value in accordance with relevant GAAP, which establishes a framework used to measure fair value and requires disclosures for fair value measurements. The Company has categorized its investments carried at fair value, based on the priority of the valuation technique, into a three-level fair value hierarchy as more fully described in Note 6. Fair value is a market-based measure considered from the perspective of the market participant who holds the financial instrument rather than an entity specific measure. Therefore, when market assumptions are not readily available, the Company’s own assumptions are set to reflect those that management believes market participants would use in pricing the financial instrument at the measurement date.

The availability of observable inputs can vary depending on the financial instrument and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new, whether the product is traded on an active exchange or in the secondary market and the current market conditions. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for financial instruments classified as Level 3.

See Note 6 for additional information regarding fair value.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

### *Segments*

The Company has determined that it has a single reporting segment and operating unit structure. The Company lends to and invests in portfolio companies in various technology, life science, healthcare information and services and sustainability industries. The Company separately evaluates the performance of each of its lending and investment relationships. However, because each of these debt investments and investment relationships has similar business and economic characteristics, they have been aggregated into a single lending and investment segment.

### *Investments*

Investments are recorded at fair value. Pursuant to the amended SEC Rule 2a-5 of the 1940 Act, on July 29, 2022, the Company's board of directors (the "Board") designated the Advisor as the Company's "valuation designee." The valuation designee determines the fair value of the Company's portfolio investments and the Company's Board oversees the valuation designee. The Company has the intent to hold its debt investments for the foreseeable future or until maturity or payoff.

Interest on debt investments is accrued and included in income based on contractual rates applied to principal amounts outstanding. Interest income is determined using a method that results in a level rate of return on principal amounts outstanding. Generally, when a debt investment becomes 90 days or more past due, or if the Company otherwise does not expect to receive interest and principal repayments, the debt investment is placed on non-accrual status and the recognition of interest income may be discontinued. Interest payments received on non-accrual debt investments may be recognized as income, on a cash basis, or applied to principal depending upon management's judgment at the time the debt investment is placed on non-accrual status. As of March 31, 2024, there were four investments on nonaccrual status with a cost of \$96.0 million and a fair value of \$51.0 million. As of December 31, 2023, there were four investments on non-accrual status with a cost of \$72.5 million and a fair value of \$27.6 million. For the three months ended March 31, 2024 and 2023, the Company did not recognize any interest income from debt investments while on non-accrual status.

The Company has a limited number of debt investments in its portfolio that contain a PIK provision. Contractual PIK interest, which represents contractually deferred interest added to the loan balance that is generally due at the end of the loan term, is generally recorded on an accrual basis to the extent such amounts are expected to be collected. For the three months ended March 31, 2024 and 2023, 5.3% and 4.3%, respectively, of the Company's total investment income was attributable to non-cash PIK interest. The Company will generally cease accruing PIK interest if management does not expect the portfolio company to be able to pay all principal and interest due. For the three months ended March 31, 2024, one debt investment, which had accrued PIK interest into income of \$1.0 million during the three months ended March 31, 2024, was placed on nonaccrual status. For the three months ended March 31, 2023, two debt investments, which had accrued PIK interest into income of \$1.1 million during the three months ended March 31, 2023, were placed on nonaccrual status.

The Company receives a variety of fees from borrowers in the ordinary course of conducting its business, including advisory fees, commitment fees, amendment fees, non-utilization fees, success fees and prepayment fees. In a limited number of cases, the Company may also receive a non-refundable deposit earned upon the termination of a transaction. Debt investment origination fees, net of certain direct origination costs, are deferred and, along with unearned income, are amortized as a level-yield adjustment over the respective term of the debt investment. All other income is recognized when earned. Fees for counterparty debt investment commitments with multiple debt investments are allocated to each debt investment based upon each debt investment's relative fair value. When a debt investment is placed on non-accrual status, the amortization of the related fees and unearned income is discontinued until the debt investment is returned to accrual status.

Certain debt investment agreements also require the borrower to make an ETP, that is accrued into interest receivable and taken into income over the life of the debt investment to the extent such amounts are expected to be collected. The Company will generally cease accruing the income if there is insufficient value to support the accrual or the Company does not expect the borrower to be able to pay the ETP when due. The proportion of the Company's total investment income that resulted from the portion of ETPs not received in cash for the three months ended March 31, 2024 and 2023 was 6.8% and 6.3%, respectively.

In connection with substantially all lending arrangements, the Company receives warrants to purchase shares of stock from the borrower. The warrants are recorded as assets at estimated fair value on the grant date using the Black-Scholes valuation model. The warrants are considered loan fees and are recorded as unearned income on the grant date. The unearned income is recognized as interest income over the contractual life of the related debt investment in accordance with the Company's income recognition policy. Subsequent to debt investment origination, the fair value of the warrants is determined using the Black-Scholes valuation model. Any adjustment to fair value is recorded through earnings as net unrealized appreciation or depreciation on investments. Gains and losses from the disposition of the warrants or stock acquired from the exercise of warrants are recognized as realized gains and losses on investments.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

Realized gains or losses on the sale of investments, or upon the determination that an investment balance, or portion thereof, is not recoverable, are calculated using the specific identification method. The Company measures realized gains or losses by calculating the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment. Net change in unrealized appreciation or depreciation reflects the change in the fair values of the Company's portfolio investments during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

***Debt issuance costs***

Debt issuance costs are fees and other direct incremental costs incurred by the Company in obtaining debt financing from its lenders and issuing debt securities. The unamortized balance of debt issuance costs as of March 31, 2024 and December 31, 2023 was \$5.4 million and \$5.8 million, respectively. These amounts are amortized and included in interest expense in the consolidated statements of operations over the life of the borrowings. The accumulated amortization balances as of March 31, 2024 and December 31, 2023 were \$5.6 million and \$5.2 million, respectively. The amortization expense for the three months ended March 31, 2024 and 2023 was \$0.4 million and \$0.5 million, respectively.

***Income taxes***

As a BDC, the Company has elected to be treated as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. In order to qualify as a RIC and to avoid the imposition of corporate-level income tax on the portion of its taxable income distributed to stockholders, among other things, the Company is required to meet certain source of income and asset diversification requirements and to timely distribute dividends out of assets legally available for distribution to its stockholders of an amount generally at least equal to 90% of its investment company taxable income, as defined by the Code and determined without regard to any deduction for dividends paid, for each tax year. The Company, among other things, has made and intends to continue to make the requisite distributions to its stockholders, which generally relieves the Company from corporate-level U.S. federal income taxes. Accordingly, no provision for federal income tax has been recorded in the financial statements. Differences between taxable income and net increase in net assets resulting from operations either can be temporary, meaning they will reverse in the future, or permanent. In accordance with ASC Topic 946, *Financial Services—Investment Companies*, as amended, of the Financial Accounting Standards Board ("FASB"), permanent tax differences, such as non-deductible excise taxes paid, are reclassified from distributions in excess of net investment income and net realized loss on investments to paid-in-capital at the end of each fiscal year. These permanent book-to-tax differences are reclassified on the consolidated statements of changes in net assets to reflect their tax character but have no impact on total net assets.

Depending on the level of taxable income earned in a tax year, the Company may choose to carry forward taxable income in excess of current year distributions into the next tax year and incur a 4% U.S. federal excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year distributions, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. For the three months ended March 31, 2024 and 2023, \$0.4 million and \$0.2 million, respectively, was accrued for U.S. federal excise tax.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

The Company evaluates tax positions taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority in accordance with ASC Topic 740, *Income Taxes*, as modified by ASC Topic 946. Tax benefits of positions not deemed to meet the more-likely-than-not threshold, or uncertain tax positions, would be recorded as a tax expense in the current year. It is the Company's policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. The Company had no material uncertain tax positions at March 31, 2024 and December 31, 2023. The Company's income tax returns for the 2024, 2023, 2022 and 2021 tax years remain subject to examination by U.S. federal and state tax authorities.

### ***Distributions***

Distributions to common stockholders are recorded on the declaration date. The amount to be paid out as distributions is determined by the Board. Net realized capital gains, if any, may be distributed, although the Company may decide to retain such net realized gains for investment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of cash distributions on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, if the Board declares a cash distribution, then stockholders who have not "opted out" of the dividend reinvestment plan will have their cash distributions automatically reinvested in additional shares of the Company's common stock, rather than receiving the cash distribution. The Company may issue new shares or purchase shares in the open market to fulfill its obligations under the plan.

### ***Stockholders' Equity***

On August 2, 2021, the Company entered into an At-The-Market ("ATM") sales agreement (the "2021 Equity Distribution Agreement"), with Goldman Sachs & Co. LLC and B. Riley FBR, Inc. (each a "Sales Agent" and, collectively, the "Sales Agents"). The 2021 Equity Distribution Agreement provided that the Company may offer and sell its shares of common stock from time to time through the Sales Agents representing up to \$100.0 million worth of its common stock, in amounts and at times to be determined by the Company.

On September 22, 2023, the Company terminated the 2021 Equity Distribution Agreement and entered into a new ATM sales agreement (the "2023 Equity Distribution Agreement"), with the Sales Agents. The remaining shares available under the 2021 Equity Distribution Agreement are no longer available for issuance. The 2023 Equity Distribution Agreement provides that the Company may offer and sell its shares of common stock from time to time through the Sales Agents up to \$150.0 million worth of its common stock, in amounts and at times to be determined by the Company. Sales of the Company's common stock, if any, may be made in negotiated transactions or transactions that are deemed to be "at-the-market," as defined in Rule 415 under the Securities Act, including sales made directly on the Nasdaq or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices.

During the three months ended March 31, 2024, the Company sold 1,053,796 shares of common stock under the 2023 Equity Distribution Agreement. For the same period, the Company received total accumulated net proceeds of approximately \$12.0 million, including \$0.3 million of offering expenses, from these sales.

During the three months ended March 31, 2023, the Company sold 605,848 shares of common stock under the 2021 Equity Distribution Agreement. For the same period, the Company received total accumulated net proceeds of approximately \$7.2 million, including \$0.2 million of offering expenses, from these sales.

The Company generally uses net proceeds from these offerings to make investments, to pay down liabilities and for general corporate purposes. As of March 31, 2024, shares representing approximately \$134.5 million of its common stock remain available for issuance and sale under the 2023 Equity Distribution Agreement.

**Horizon Technology Finance Corporation and Subsidiaries**  
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***Stock Repurchase Program***

On April 26, 2024, the Board extended a previously authorized stock repurchase program which allows the Company to repurchase up to \$5.0 million of its common stock at prices below the Company's net asset value per share as reported in its most recent consolidated financial statements. Under the repurchase program, the Company may, but is not obligated to, repurchase shares of its outstanding common stock in the open market or in privately negotiated transactions from time to time. Any repurchases by the Company will comply with the requirements of Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any applicable requirements of the 1940 Act. Unless extended by the Board, the repurchase program will terminate on the earlier of June 30, 2025 or the repurchase of \$5.0 million of the Company's common stock. During the three months ended March 31, 2024 and 2023, the Company did not make any repurchases of its common stock. From the inception of the stock repurchase program through March 31, 2024, the Company repurchased 167,465 shares of its common stock at an average price of \$11.22 on the open market at a total cost of \$1.9 million.

***Transfers of financial assets***

Assets related to transactions that do not meet the requirements under ASC Topic 860, *Transfers and Servicing* for sale treatment under GAAP are reflected in the Company's consolidated statements of assets and liabilities as investments. Those assets are owned by special purpose entities that are consolidated in the Company's financial statements. The creditors of the special purpose entities have received security interests in such assets and such assets are not intended to be available to the creditors of the Company (or any other affiliate of the Company).

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company — put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets and (3) the transferor does not maintain effective control over the transferred assets through either (a) an agreement that both entitles and obligates the transferor to repurchase or redeem the assets before maturity or (b) the ability to unilaterally cause the holder to return specific assets, other than through a cleanup call.

***Recently adopted accounting pronouncement***

In June 2022, the FASB issued Accounting Standards Update No. 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions ("ASU 2022-03"). ASU 2022-03 clarifies the guidance when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of the security. The amendments in ASU 2022-03 were effective for public companies for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. The adoption of ASU 2022-03 did not have a material impact on the Company's consolidated financial statements.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 3. Related party transactions*****Investment Management Agreement***

At a meeting of the stockholders convened on May 25, 2023 and reconvened on June 28, 2023, the stockholders approved a new Investment Management Agreement which became effective on June 30, 2023 (the "Investment Management Agreement") upon the closing of the acquisition of the Advisor by MCH Holdco LLC, an affiliate of Monroe Capital LLC. The new Investment Management Agreement replaced the previously effective Investment Management Agreement dated as of March 7, 2019. Under the terms of the Investment Management Agreement, the Advisor determines the composition of the Company's investment portfolio, the nature and timing of the changes to the investment portfolio and the manner of implementing such changes; identifies, evaluates and negotiates the structure of the investments the Company makes (including performing due diligence on the Company's prospective portfolio companies); and closes, monitors and administers the investments the Company makes, including the exercise of any voting or consent rights.

The Advisor's services under the Investment Management Agreement are not exclusive to the Company, and the Advisor is free to furnish similar services to other entities so long as its services to the Company are not impaired. The Advisor is a registered investment adviser with the SEC. The Advisor receives fees for providing services to the Company under the Investment Management Agreement, consisting of two components, a base management fee and an incentive fee.

The base management fee is calculated at an annual rate of 2.00% of the Company's gross assets (less cash and cash equivalents) including any assets acquired with the proceeds of leverage; provided, that, to the extent the Company's gross assets (less cash and cash equivalents) exceed \$250 million, the base management fee on the amount of such excess over \$250 million will be calculated at an annual rate of 1.60% of the Company's gross assets (less cash and cash equivalents) including any assets acquired with the proceeds of leverage. The base management fee is payable monthly in arrears and is prorated for any partial month.

The base management fee payable at March 31, 2024 and December 31, 2023 was \$1.1 million. The base management fee expense was \$3.2 million for the three months ended March 31, 2024 and 2023.

The incentive fee has two parts, as follows:

The first part, which is subject to the Incentive Fee Cap and Deferral Mechanism, as defined below, is calculated and payable quarterly in arrears based on the Company's Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter. For this purpose, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees received from portfolio companies) accrued during the calendar quarter, minus expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement (as defined below), and any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income the Company has not yet received in cash. The incentive fee with respect to the Pre-Incentive Fee Net Investment Income is 20.00% of the amount, if any, by which the Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter exceeds a hurdle rate of 1.75% (which is 7.00% annualized) of the Company's net assets at the end of the immediately preceding calendar quarter, adjusted for any share issuances or repurchases during the relevant quarter, subject to a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, the Advisor receives no incentive fee until the Pre-Incentive Fee Net Investment Income equals the hurdle rate of 1.75%, but then receives, as a "catch-up," 100.00% of the Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.1875% quarterly (which is 8.75% annualized). The effect of this "catch-up" provision is that, if Pre-Incentive Fee Net Investment Income exceeds 2.1875% in any calendar quarter, the Advisor will receive 20.00% of the Pre-Incentive Fee Net Investment Income as if the hurdle rate did not apply.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that the Company may pay an incentive fee in a quarter in which the Company incurs a loss. For example, if the Company receives Pre-Incentive Fee Net Investment Income in excess of the quarterly minimum hurdle rate, the Company will pay the applicable incentive fee up to the Incentive Fee Cap, defined below, even if the Company has incurred a loss in that quarter due to realized and unrealized capital losses. The Company's net investment income used to calculate this part of the incentive fee is also included in the amount of the Company's gross assets used to calculate the 2.00% base management fee. These calculations are appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The incentive fee on Pre-Incentive Fee Net Investment Income is subject to a fee cap and deferral mechanism which is determined based upon a look-back period of up to three years and is expensed when incurred. For this purpose, the look-back period for the incentive fee based on Pre-Incentive Fee Net Investment Income (the "Incentive Fee Look-back Period") includes the relevant calendar quarter and the 11 preceding full calendar quarters. Each quarterly incentive fee payable on Pre-Incentive Fee Net Investment Income is subject to a cap (the "Incentive Fee Cap") and a deferral mechanism through which the Advisor may recoup a portion of such deferred incentive fees (collectively, the "Incentive Fee Cap and Deferral Mechanism"). The Incentive Fee Cap is equal to (a) 20.00% of Cumulative Pre-Incentive Fee Net Return (as defined below) during the Incentive Fee Look-back Period less (b) cumulative incentive fees of any kind paid to the Advisor during the Incentive Fee Look-back Period. To the extent the Incentive Fee Cap is zero or a negative value in any calendar quarter, the Company will not pay an incentive fee on Pre-Incentive Fee Net Investment Income to the Advisor in that quarter. To the extent that the payment of incentive fees on Pre-Incentive Fee Net Investment Income is limited by the Incentive Fee Cap, the payment of such fees will be deferred and paid in subsequent calendar quarters up to three years after their date of deferment, subject to certain limitations, which are set forth in the Investment Management Agreement. The Company only pays incentive fees on Pre-Incentive Fee Net Investment Income to the extent allowed by the Incentive Fee Cap and Deferral Mechanism. "Cumulative Pre-Incentive Fee Net Return" during any Incentive Fee Look-back Period means the sum of (a) Pre-Incentive Fee Net Investment Income and the base management fee for each calendar quarter during the Incentive Fee Look-back Period and (b) the sum of cumulative realized capital gains and losses, cumulative unrealized capital appreciation and cumulative unrealized capital depreciation during the applicable Incentive Fee Look-back Period.

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year (or, upon termination of the Investment Management Agreement, as of the termination date), and equals 20.00% of the Company's realized capital gains, if any, on a cumulative basis from the date of the election to be a BDC through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis through the end of such year, less all previous amounts paid in respect of the capital gain incentive fee. However, in accordance with GAAP, the Company is required to include the aggregate unrealized capital appreciation on investments in the calculation and accrue a capital gain incentive fee on a quarterly basis, as if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Management Agreement.

The performance based incentive fee expense was \$0.3 million and \$3.0 million for the three months ended March 31, 2024 and 2023, respectively. The incentive fee on Pre-Incentive Fee Net Investment Income was subject to the Incentive Fee Cap and Deferral Mechanism for the three months ended March 31, 2024 and 2023, which resulted in \$2.3 million and \$0.2 million, respectively, of reduced expense and additional net investment income. This deferral represents a contingent future liability and is not accrued until the amount can be reasonably estimated and payment is probable. The remaining deferred amount may be paid up to three years after the date of deferment. The total contingent future liability as of March 31, 2024 was \$13.1 million, of which \$1.0 million expires on December 31, 2025, \$0.2 million expires on March 31, 2026, \$3.1 million expires on June 30, 2026, \$3.5 million expires on September 30, 2026, \$3.0 million expires on December 31, 2026, and \$2.3 million expires on March 31, 2027, respectively. The performance based incentive fee payable as of March 31, 2024 was \$0.3 million. There was no performance based incentive fee payable as of December 31, 2023.



**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

***Administration Agreement***

The Company entered into an administration agreement (the “Administration Agreement”) with the Advisor to provide administrative services to the Company. For providing these services, facilities and personnel, the Company reimburses the Advisor for the Company’s allocable portion of overhead and other expenses incurred by the Advisor in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and the Company’s allocable portion of the costs of compensation and related expenses of the Company’s Chief Financial Officer and Chief Compliance Officer and their respective staffs. The administrative fee expense was \$0.4 million for the three months ended March 31, 2024 and 2023. The administrative fee payable at March 31, 2024 and December 31, 2023 was \$0.4 million. The administrative fee payable is included in other accrued liabilities on the Company's Statement of Assets and Liabilities.

**Note 4. Investments**

The following table shows the Company’s investments as of March 31, 2024 and December 31, 2023:

	<b>March 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
	<b>(In thousands)</b>			
<b>Investments</b>				
Debt	\$ 719,500	\$ 670,773	\$ 721,231	\$ 670,172
Warrants	16,636	23,928	16,526	24,594
Other	13,844	9,192	6,982	6,430
Equity	15,193	7,223	14,443	7,889
<b>Total investments</b>	<b>\$ 765,173</b>	<b>\$ 711,116</b>	<b>\$ 759,182</b>	<b>\$ 709,085</b>

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

The following table shows the Company's investments by industry sector as of March 31, 2024 and December 31, 2023:

	March 31, 2024		December 31, 2023	
	Cost	Fair Value	Cost	Fair Value
(In thousands)				
Life Science				
Biotechnology	\$ 142,108	\$ 124,741	\$ 145,544	\$ 117,781
Medical Device	164,060	161,155	147,064	145,019
Technology				
Communications	17,327	20,185	19,192	22,188
Consumer-Related	105,165	99,876	105,669	101,327
Data Storage	416	426	417	418
Internet and Media	328	1,592	329	1,582
Networking	3,231	3,091	5,451	5,297
Power Management	1,585	2,700	1,585	2,700
Semiconductors	45	—	45	—
Software	159,094	154,908	164,133	160,749
Sustainability				
Energy Efficiency	111	8	111	13
Other Sustainability	100,854	71,060	98,906	80,370
Healthcare Information and Services				
Diagnostics	19,759	19,729	19,735	19,701
Other	102	949	102	1,366
Software	50,988	50,696	50,899	50,574
Total investments	<u>\$ 765,173</u>	<u>\$ 711,116</u>	<u>\$ 759,182</u>	<u>\$ 709,085</u>

**Note 5. Transactions with affiliated companies**

A non-controlled affiliated company is generally a portfolio company in which the Company owns 5% or more of such portfolio company's voting securities but not more than 25% of such portfolio company's voting securities.

Transactions related to investments in non-controlled affiliated companies for the three months ended March 31, 2024 were as follows:

Portfolio Company	Three months ended March 31, 2024								Interest income
	Fair value at December 31, 2023	Purchases	Principal Payments	Transfers		Net		Fair value at March 31, 2024	
				in/(out) at fair value	Discount accretion	unrealized gain/(loss)	Net realized gain/(loss)		
(In thousands)									
Aulea Medical, Inc.	\$ —	\$ 3	\$ —	\$ —	\$ —	\$ —	\$ (3)	\$ —	\$ —
Evelo Biosciences, Inc.	222	—	—	—	—	2,568	—	2,790	—
	336	12	—	—	—	3,859	—	4,207	—
	133	—	—	—	—	1,541	—	1,674	—
	133	—	—	—	—	1,541	—	1,674	—
	88	—	—	—	—	1,028	—	1,116	—
	88	—	—	—	—	1,028	—	1,116	—
	132	—	—	—	—	(132)	—	—	—
Total non-controlled affiliates	<u>\$ 1,132</u>	<u>\$ 15</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 11,433</u>	<u>\$ (3)</u>	<u>\$ 12,577</u>	<u>\$ —</u>

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Transactions related to investments in non-controlled affiliated companies for the three months ended March 31, 2023 were as follows:

Three months ended March 31, 2023											
Portfolio Company	Fair value at December 31, 2022	Purchases	Sales	Transfers in/(out) at fair value		Discount Accretion	Net unrealized gain/(loss)		Net realized gain/(loss)	Fair value at March 31, 2023	Interest income
(In thousands)											
Cadrenal Therapeutics, Inc.	—	—	—	—	—	—	846	—	—	846	—
Total non-controlled affiliates	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 846	\$ —	\$ —	\$ 846	\$ —

A controlled affiliated company is generally a portfolio company in which the Company owns more than 25% of such portfolio company's voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement).

Transactions related to investments in controlled affiliated companies for the three months ended March 31, 2024 were as follows:

Three months ended March 31, 2024												
Portfolio Company	Fair value at December 31, 2023	Purchases	Principal Payments	PIK	Transfers in/(out) at fair value		Discount accretion	Net unrealized gain/(loss)		Net realized gain/(loss)	Fair value at March 31, 2024	Interest income
(In thousands)												
Better Place Forests Co.	\$ 3,339	\$ —	\$ —	\$ 111	\$ —	\$ 2	\$ 3	\$ —	\$ —	\$ —	\$ 3,455	\$ 116
	1,630	—	—	55	—	2	1	—	—	—	1,688	61
	3,024	750	—	—	—	—	(1,118)	—	—	—	2,656	—
HIMV LLC	6,230	227	(547)	—	—	—	(65)	—	—	—	5,845	—
Total controlled affiliates	\$ 14,223	\$ 977	\$ (547)	\$ 166	\$ —	\$ 4	\$ (1,179)	\$ —	\$ —	\$ —	\$ 13,644	\$ 177

For the three months ended March 31, 2023, there were no transactions related to investments in controlled affiliated companies.

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**Note 6. Fair value**

Prior to July 30, 2022, the Board determined the fair value of the Company's investments. Pursuant to the amended SEC Rule 2a-5 of the 1940 Act, on July 29, 2022, the Board designated the Advisor as the Company's "valuation designee." The Board is responsible for oversight of the valuation designee. The valuation designee has established a Valuation Committee to determine in good faith the fair value of the Company's investments, based on input from the Advisor's management and personnel and independent valuation firms which are engaged at the direction of the Valuation Committee to assist in the valuation of certain portfolio investments lacking a readily available market quotation at least once during a trailing twelve-month period. The Valuation Committee determines fair values pursuant to a valuation policy approved by the Board and pursuant to a consistently applied valuation process. This valuation process is conducted at the end of each fiscal quarter, with at least 25% (based on fair value) of the Company's valuation of portfolio companies lacking readily available market quotations subject to review by an independent valuation firm.

The Company uses fair value measurements made by the valuation designee to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Fair value is 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. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Company's fair value measurements are classified into a fair value hierarchy in accordance with ASC Topic 820, *Fair Value Measurement*, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three categories within the hierarchy are as follows:

- Level 1** Quoted prices in active markets for identical assets and liabilities.
- Level 2** Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, and model-based valuation techniques for which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

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Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Additionally, the fair value of the Company's investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Company may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Company was required to liquidate a portfolio investment in a forced or liquidation sale, the Company could realize significantly less than the value at which the Company has recorded such portfolio investment.

*Cash and interest receivable:* The carrying amount is a reasonable estimate of fair value. These financial instruments are not recorded at fair value on a recurring basis and are categorized as Level 1 within the fair value hierarchy described above.

*Money market funds:* The carrying amounts are valued at their net asset value as of the close of business on the day of valuation. These financial instruments are recorded at fair value on a recurring basis and are categorized as Level 2 within the fair value hierarchy described above as these funds can be redeemed daily.

*Debt investments:* The fair value of debt investments is estimated by discounting the expected future cash flows using the period end rates at which similar debt investments would be made to borrowers with similar credit ratings and for the same remaining maturities. Significant increases (decreases) in this unobservable input would result in a significantly lower (higher) fair value measurement. These assets are recorded at fair value on a recurring basis and are categorized as Level 3 within the fair value hierarchy described above.

Under certain circumstances, the Company may use an alternative technique to value debt investments that better reflects its fair value such as the use of multiple probability weighted cash flow models when the expected future cash flows contain elements of variability.

*Warrant investments:* The Company values its warrants using the Black-Scholes valuation model incorporating the following material assumptions:

- Underlying asset value of the issuer is estimated based on information available, including any information regarding the most recent rounds of borrower funding. Significant increases (decreases) in this unobservable input would result in a significantly higher (lower) fair value measurement.
- Volatility, or the amount of uncertainty or risk about the size of the changes in the warrant price, is based on indices of publicly traded companies similar in nature to the underlying company issuing the warrant. A total of seven such indices are used. Significant increases (decreases) in this unobservable input would result in a significantly higher (lower) fair value measurement.
- The risk-free interest rates are derived from the U.S. Treasury yield curve. The risk-free interest rates are calculated based on a weighted average of the risk-free interest rates that correspond closest to the expected remaining life of the warrant.
- Other adjustments, including a marketability discount on private company warrants, are estimated based on management's judgment about the general industry environment.

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- Historical portfolio experience on cancellations and exercises of the Company's warrants are utilized as the basis for determining the estimated time to exit of the warrants in each financial reporting period. Warrants may be exercised in the event of acquisitions, mergers or initial public offerings, and cancelled due to events such as bankruptcies, restructuring activities or additional financings. These events cause the expected remaining life assumption to be shorter than the contractual term of the warrants. Significant increases (decreases) in this unobservable input would result in significantly higher (lower) fair value measurement.

Under certain circumstances the Company may use an alternative technique to value warrants that better reflects the warrants' fair value, such as an expected settlement of a warrant in the near term or a model that incorporates a put feature associated with the warrant. The fair value may be determined based on the expected proceeds to be received from such settlement or based on the net present value of the expected proceeds from the put option.

The fair value of the Company's warrants held in publicly traded companies is determined based on inputs that are readily available in public markets or can be derived from information available in public markets. Therefore, the Company has categorized these warrants as Level 2 within the fair value hierarchy described above. The fair value of the Company's warrants held in private companies is determined using both observable and unobservable inputs and represents management's best estimate of what market participants would use in pricing the warrants at the measurement date. Therefore, the Company has categorized these warrants as Level 3 within the fair value hierarchy described above. These assets are recorded at fair value on a recurring basis.

*Equity investments:* The fair value of an equity investment in a privately held company is initially the face value of the amount invested. The Company adjusts the fair value of equity investments in private companies upon the completion of a new third-party round of equity financing. The Company may make adjustments to fair value, absent a new equity financing event, based upon positive or negative changes in a portfolio company's financial or operational performance. Significant increases (decreases) in this unobservable input would result in a significantly higher (lower) fair value measurement. The Company has categorized these equity investments as Level 3 within the fair value hierarchy described above. The fair value of an equity investment in a publicly traded company is based upon the closing public share price on the date of measurement. Therefore, the Company has categorized these equity investments as Level 1 within the fair value hierarchy described above. These assets are recorded at fair value on a recurring basis.

*Other investments:* Other investments are valued based on the facts and circumstances of the underlying contractual agreement. The Company currently values these contractual agreements using a multiple probability weighted cash flow model as the contractual future cash flows contain elements of variability. Significant changes in the estimated cash flows and probability weightings would result in a significantly higher or lower fair value measurement. The Company has categorized these other investments as Level 3 within the fair value hierarchy described above. These other investments are recorded at fair value on a recurring basis.

The following tables detail the assets that are carried at fair value and measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023 and indicate the fair value hierarchy of the valuation techniques utilized by the Company to determine the fair value:

	<b>March 31, 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>(In thousands)</b>			
Debt investments	\$ —	\$ —	\$ 670,773	\$ 670,773
Warrant investments	—	772	23,156	23,928
Other investments	—	—	9,192	9,192
Equity investments	398	—	6,825	7,223
<b>Total investments</b>	<b>\$ 398</b>	<b>\$ 772</b>	<b>\$ 709,946</b>	<b>\$ 711,116</b>

  

	<b>December 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>(In thousands)</b>			
Debt investments	\$ —	\$ —	\$ 670,172	\$ 670,172
Warrant investments	—	1,619	22,975	24,594
Other investments	—	—	6,430	6,430
Equity investments	608	—	7,281	7,889
<b>Total investments</b>	<b>\$ 608</b>	<b>\$ 1,619</b>	<b>\$ 706,858</b>	<b>\$ 709,085</b>

The following tables provide a summary of quantitative information about the Company's Level 3 fair value measurements of the Company's investments as of March 31, 2024 and December 31, 2023. In addition to the techniques and inputs noted in the table below, according to the Company's valuation policy, the Company may also use other valuation techniques and methodologies when determining its fair value measurements.

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The following table is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to the Company's fair value measurements as of March 31, 2024:

March 31, 2024					
Investment Type	Fair Value	Valuation Techniques/ Methodologies	Unobservable Input	Range	Weighted Average(1)
(Dollars in thousands, except per share data)					
Debt investments	\$ 619,773	Discounted Expected Future Cash Flows	Hypothetical Market Yield	11% – 20%	15%
	51,000	Multiple Probability Weighted Cash Flow Model	Probability Weighting	5% - 95%	44%
Warrant investments	23,094	Black-Scholes Valuation Model	Price Per Share	0.000 –1,898.58	\$ 61.04
			Average Industry Volatility	25%	25%
			Marketability Discount	0 - 20%	18%
			Estimated Time to Exit (in years)	1 to 5	3
	62	Expected Proceeds	Price Per Share	\$0.25	\$ 0.25
Other investments	9,192	Multiple Probability Weighted Cash Flow Model	Discount Rate	25%	25%
			Probability Weighting	30% – 100%	75%
Equity investments	6,825	Last Equity Financing	Price Per Share	0.000 –215.03	\$ 18.21
Total Level 3 investments	<u>\$ 709,946</u>				

(1) Weighted average is calculated by multiplying (a) the unobservable input for each investment in the investment type by (b) (1) the fair value of the related investment in the investment type divided by (2) the total fair value of the investment type.

The following table is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to the Company's fair value measurements as of December 31, 2023:

December 31, 2023					
Investment Type	Fair Value	Valuation Techniques/ Methodologies	Unobservable Input	Range	Weighted Average(1)
(Dollars in thousands, except per share data)					
Debt investments	\$ 617,529	Discounted Expected Future Cash Flows	Hypothetical Market Yield	11% – 24%	15%
	52,643	Multiple Probability Weighted Cash Flow Model	Probability Weighting	20% - 100%	50%
Warrant investments	22,913	Black-Scholes Valuation Model	Price Per Share	0.000 –1,899	\$ 64.95
			Average Industry Volatility	25%	25%
			Marketability Discount	0 - 20%	18%
			Estimated Time to Exit (in years)	1 to 5	3
	62	Expected Proceeds	Price Per Share	\$0.25	\$ 0.25
Other investments	6,430	Multiple Probability Weighted Cash Flow Model	Discount Rate	25%	25%
			Probability Weighting	30% – 100%	81%
Equity investments	7,281	Last Equity Financing	Price Per Share	0.566 –215.03	\$ 17.15
Total Level 3 investments	<u>\$ 706,858</u>				

(1) Weighted average is calculated by multiplying (a) the unobservable input for each investment in the investment type by (b) (1) the fair value of the related investment in the investment type divided by (2) the total fair value of the investment type.

**Borrowings:** The Key Facility and the NYL Facility approximate fair value due to the variable interest rate of the facilities and are categorized as Level 2 within the fair value hierarchy described above. Additionally, the Company considers its creditworthiness in determining the fair value of such borrowings. The fair value of the fixed-rate 2026 Notes (as defined in Note 7) is based on the closing public share price on the date of measurement. On March 31, 2024, the closing price of the 2026 Notes on the New York Stock Exchange was \$23.75 per note and had an aggregate fair value of \$54.6 million. Therefore, the Company has categorized this borrowing as Level 1 within the fair value hierarchy described above. The fair value of the fixed-rate 2027 Notes (as defined in Note 7) is based on the closing public share price on the date of measurement. On March 31, 2024, the closing price of the 2027 Notes on the New York Stock Exchange was \$23.80 per note and had an aggregate fair value of \$54.7 million. Therefore, the Company has categorized this borrowing as Level 1 within the fair value hierarchy described above. Based on market quotations on March 31, 2024, the 2022 Asset-Backed Notes were trading at par value, or \$100.0 million, and are categorized as Level 3 within the fair value hierarchy described above. These borrowings are not recorded at fair value on a recurring basis.

**Off-balance-sheet instruments:** Fair values for off-balance-sheet lending commitments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standings. Therefore, the Company has categorized these instruments as Level 3 within the fair value hierarchy described above.





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The following table shows a reconciliation of the beginning and ending balances for Level 3 assets measured at fair value on a recurring basis for the three months ended March 31, 2024:

	<b>Three months ended March 31, 2024</b>				
	<b>Debt Investments</b>	<b>Warrant Investments</b>	<b>Equity Investments</b>	<b>Other Investments</b>	<b>Total</b>
	(In thousands)				
Level 3 assets, beginning of period	\$ 670,172	\$ 22,975	\$ 7,281	\$ 6,430	\$ 706,858
Purchase of investments	22,177	—	750	392	23,319
Warrants received and classified as Level 3	—	128	—	—	128
Principal payments received on investments	(19,080)	—	—	(563)	(19,643)
Payment-in-kind interest on investments	1,382	—	—	—	1,382
Proceeds from sale of investments	(41)	—	—	—	(41)
Net realized gain (loss) on investments	38	(17)	—	—	21
Unrealized (depreciation) appreciation included in earnings	(1,509)	70	(1,206)	(258)	(2,903)
Transfer out of debt investments	(3,191)	—	—	3,191	—
Other	825	—	—	—	825
Level 3 assets, end of period	<u>\$ 670,773</u>	<u>\$ 23,156</u>	<u>\$ 6,825</u>	<u>\$ 9,192</u>	<u>\$ 709,946</u>

During the three months ended March 31, 2024, there was one transfer into Level 3. The transfer related to warrants and equity with an aggregate fair value of \$0.00 held in one portfolio company, which were transferred to Level 3 upon their fair value no longer being derived from the closing public share price on the date of measurement. During the three months ended March 31, 2024, there were no transfers out of Level 3.

The change in unrealized depreciation included in the consolidated statement of operations attributable to Level 3 investments still held at March 31, 2024 includes \$1.8 million in unrealized depreciation on debt and other investments and \$1.2 million in unrealized depreciation on equity investments.

The following table shows a reconciliation of the beginning and ending balances for Level 3 assets measured at fair value on a recurring basis for the three months ended March 31, 2023:

	<b>Three months ended March 31, 2023</b>				
	<b>Debt Investments</b>	<b>Warrant Investments</b>	<b>Equity Investments</b>	<b>Other Investments</b>	<b>Total</b>
	(In thousands)				
Level 3 assets, beginning of period	\$ 686,458	\$ 26,145	\$ 2,416	\$ 1,300	\$ 716,319
Purchase of investments	46,998	—	10	—	47,008
Warrants received and classified as Level 3	—	141	—	—	141
Principal payments received on investments	(39,756)	—	—	—	(39,756)
Payment-in-kind interest on investments	1,204	—	—	—	1,204
Proceeds from sale of investments	(6,508)	(12)	—	—	(6,520)
Net realized gain (loss) on investments	7	(141)	—	—	(134)
Unrealized (depreciation) appreciation included in earnings	(4,566)	(1,490)	189	—	(5,867)
Transfer out of debt investments	(295)	(5)	300	—	—
Other	1,012	—	—	—	1,012
Level 3 assets, end of period	<u>\$ 684,554</u>	<u>\$ 24,638</u>	<u>\$ 2,915</u>	<u>\$ 1,300</u>	<u>\$ 713,407</u>

During the three months ended March 31, 2023, there were no transfers in or out of Level 3.

The change in unrealized depreciation included in the consolidated statement of operations attributable to Level 3 investments still held at March 31, 2023 includes \$4.6 million in unrealized depreciation on debt and other investments, \$1.4 million in unrealized depreciation on warrant investments and \$0.2 million in unrealized appreciation on equity investments.

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The Company discloses fair value information about financial instruments, whether or not recognized in the consolidated statement of assets and liabilities, for which it is practicable to estimate that value. Certain financial instruments are excluded from the disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The fair value amounts have been measured as of the reporting date and have not been reevaluated or updated for purposes of these financial statements subsequent to that date. As such, the fair values of these financial instruments subsequent to the reporting date may be different than amounts reported.

As of March 31, 2024 and December 31, 2023, all of the balances of all the Company's financial instruments were recorded at fair value, except for the Company's borrowings, as previously described.

**Market risk**

The Company assumes interest rate risk (the risk that general interest rate levels will change) as a result of its normal operations. As a result, the fair values of the Company's financial instruments may change when interest rate levels change, and that change may be either favorable or unfavorable to the Company. Management attempts to match maturities of assets and liabilities to the extent believed necessary to minimize interest rate risk. Management monitors rates and maturities of assets and liabilities and attempts to minimize interest rate risk by adjusting terms of new debt investments and by investing in securities with terms that mitigate the Company's overall interest rate risk.

**Note 7. Borrowings**

The following table shows the Company's borrowings as of March 31, 2024 and December 31, 2023:

	March 31, 2024			December 31, 2023		
	Total Commitment	Balance Outstanding	Unused Commitment	Total Commitment	Balance Outstanding	Unused Commitment
	(In thousands)					
Key Facility	\$ 150,000	\$ 60,000	\$ 90,000	\$ 150,000	\$ 70,000	\$ 80,000
NYL Facility	250,000	181,000	69,000	250,000	181,000	69,000
2022 Asset-Backed Notes	100,000	100,000	—	100,000	100,000	—
2027 Notes	57,500	57,500	—	57,500	57,500	—
2026 Notes	57,500	57,500	—	57,500	57,500	—
Total before debt issuance costs	615,000	456,000	159,000	615,000	466,000	149,000
Unamortized debt issuance costs attributable to term borrowings	—	(3,510)	—	—	(3,765)	—
Total borrowings outstanding, net	<u>\$ 615,000</u>	<u>\$ 452,490</u>	<u>\$ 159,000</u>	<u>\$ 615,000</u>	<u>\$ 462,235</u>	<u>\$ 149,000</u>

As of March 31, 2024, with certain limited exceptions, the Company, as a BDC, is only allowed to borrow amounts such that the Company's asset coverage, as defined in the 1940 Act, is at least 150% after such borrowings. As of March 31, 2024, the asset coverage for borrowed amounts was 173%.

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### ***Credit Facilities***

#### ***Key Facility***

The Company entered into the Key Facility with Key effective November 4, 2013. On June 29, 2023, the Company amended the Key Facility, among other things, to increase the commitment amount to \$150 million and to increase the amount of the accordion feature which now allows for the potential increase in the total commitment amount to \$300 million. The Key Facility is collateralized by all debt investments and warrants held by Credit II and permits an advance rate of up to 60% of eligible debt investments held by Credit II. The Key Facility contains covenants that, among other things, require the Company to maintain a minimum net worth and to restrict the debt investments securing the Key Facility to certain criteria for qualified debt investments and includes portfolio company concentration limits as defined in the related loan agreement. The Company may request advances under the Key Facility through June 22, 2024 and the Key Facility is scheduled to mature on June 22, 2026. The interest rate on the Key Facility is based on the rate of interest published in The Wall Street Journal as the prime rate in the United States plus 0.25%, with a prime rate floor of 4.25%. The prime rate was 8.50% on March 31, 2024 and December 31, 2023. The average interest rate on the Key Facility for the three months ended March 31, 2024 and 2023 was 8.75% and 7.94%, respectively. The Key Facility requires the payment of an unused line fee in an amount up to 0.50% on an annualized basis of any unborrowed amount available under the facility. As of March 31, 2024 and December 31, 2023, the Company had borrowing capacity under the Key Facility of \$90.0 million and \$80.0 million, respectively. At March 31, 2024 and December 31, 2023, \$20.3 million and \$25.0 million, respectively, was available for borrowing, subject to existing terms and advance rates.

#### ***NYL Facility***

HFI entered into the NYL Facility with the NYL Noteholders for an aggregate purchase price of up to \$100.0 million, with an accordion feature of up to \$200.0 million at the mutual discretion and agreement of HSLFI and the NYL Noteholders. On June 1, 2018, HSLFI sold or contributed to HFI certain secured loans made to certain portfolio companies pursuant to the Sale and Servicing Agreement. Any notes issued by HFI are collateralized by all investments held by HFI and permit an advance rate of up to 67% of the aggregate principal amount of eligible debt investments. The notes were issued pursuant to the Indenture. The interest rate on the notes issued under the NYL Facility was based on the three year USD mid-market swap rate plus a margin of between 3.55% and 5.15% with an interest rate floor, depending on the rating of such notes at the time of issuance.

On February 25, 2022, the Company amended its NYL Facility to, among other things, reduce the applicable margin used to calculate the credit facility's interest rate on the Company's borrowings above \$100.0 million. Such borrowings were priced at the three-year USD mid-market swap rate plus 3.00%.

On May 24, 2023, the Company amended its NYL Facility to, among other things, increase the commitment by \$50.0 million to enable its wholly-owned subsidiary to issue up to \$250.0 million of secured notes. The amendment to the NYL Facility extends the investment period to June 2024 and the maturity date of all advances to June 2029. In addition, the amendment amended the interest rate for advances made after May 24, 2023, fixing the interest rate at the greater of (i) 4.60% and (ii) the Three Year I Curve plus 3.50%, with the interest rate to be reset on any advance date.

There were \$181.0 million in advances made by the NYL Noteholders as of March 31, 2024 and December 31, 2023. The interest rate as of March 31, 2024 and 2023 was 6.18% and 5.57%, respectively. As of March 31, 2024 and December 31, 2023, the Company had borrowing capacity under the NYL Facility of \$69.0 million. At March 31, 2024 and December 31, 2023, \$0.9 million and \$17.4 million, respectively, was available for borrowing, subject to existing terms and advance rates.

Under the terms of the NYL Facility, the Company is required to maintain a reserve cash balance, which may be used to pay monthly interest and principal payments on the NYL Facility. The Company has segregated these funds and classified them as restricted investments in money market funds. At March 31, 2024 and December 31, 2023, there were approximately \$1.4 million of restricted investments.

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### ***Securitized***

#### *2019 Asset-Backed Notes*

On August 13, 2019, the Company completed a term debt securitization in connection with which an affiliate of the Company made an offering of the 2019 Asset-Backed Notes. The 2019 Asset-Backed Notes were rated A+(sf) by Morningstar Credit Ratings, LLC. There was no change in the rating since August 13, 2019. The 2019 Asset-Backed Notes were repaid in full on November 22, 2023.

The 2019 Asset-Backed Notes were issued by the 2019-1 Trust pursuant to a note purchase agreement, dated as of August 13, 2019, by and among the Company and Keybank Capital Markets Inc. as Initial Purchaser, and were backed by a pool of loans made to certain portfolio companies of the Company and secured by certain assets of those portfolio companies and were to be serviced by the Company. Interest on the 2019 Asset-Backed Notes was paid, to the extent of funds available, at a fixed rate of 4.21% per annum. The reinvestment period of the 2019 Asset-Backed Notes ended July 15, 2021 and the maturity date was September 15, 2027.

As of December 31, 2023, the 2019 Asset-Backed Notes were repaid in full.

#### *2022 Asset-Backed Notes*

On November 9, 2022, the Company completed a term debt securitization in connection with which an affiliate of the Company made an offering of the 2022 Asset-Backed Notes. The 2022 Asset-Backed Notes were rated A by DBRS, Inc. There has been no change in the rating since November 9, 2022.

The 2022 Asset-Backed Notes were issued by the 2022-1 Trust pursuant to a note purchase agreement, dated as of November 9, 2022, by and among the Company and Keybank Capital Markets Inc. as Initial Purchaser, and are backed by a pool of loans made to certain portfolio companies of the Company and secured by certain assets of those portfolio companies and are to be serviced by the Company. Interest on the 2022 Asset-Backed Notes will be paid, to the extent of funds available, at a fixed rate of 7.56% per annum. The reinvestment period of the 2022 Asset-Backed Notes ends November 15, 2024 and the maturity date is November 15, 2030.

As of March 31, 2024 and December 31, 2023, the 2022 Asset-Backed Notes had an outstanding principal balance of \$100.0 million.

Under the terms of the 2022 Asset-Backed Notes, the Company is required to maintain a reserve cash balance, funded through proceeds from the sale of the 2022 Asset-Backed Notes, which may be used to pay monthly interest and principal payments on the 2022 Asset-Backed Notes. The Company has segregated these funds and classified them as restricted investments in money market funds. At March 31, 2024 and December 31, 2023, there were approximately \$1.2 million and \$1.3 million, respectively, of restricted investments.

### ***Unsecured Notes***

#### *2026 Notes*

On March 30, 2021, the Company issued and sold an aggregate principal amount of \$57.5 million of 4.875% notes due in 2026 (the "2026 Notes"). The amount of 2026 Notes issued and sold included the full exercise by the underwriters of their option to purchase \$7.5 million in aggregate principal of additional notes. The 2026 Notes have a stated maturity of March 30, 2026 and may be redeemed in whole or in part at the Company's option at any time or from time to time on or after March 30, 2023 at a redemption price of \$25 per security plus accrued and unpaid interest. The 2026 Notes bear interest at a rate of 4.875% per year, payable quarterly on March 30, June 30, September 30 and December 30 of each year. The 2026 Notes are the Company's direct unsecured obligations and (i) rank equally in right of payment with the Company's current and future unsecured indebtedness; (ii) are senior in right of payment to any of the Company's future indebtedness that expressly provides it is subordinated to the 2026 Notes; (iii) are effectively subordinated to all of the Company's existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grants security), to the extent of the value of the assets securing such indebtedness, and (iv) are structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries. As of March 31, 2024, the Company was in material compliance with the terms of the 2026 Notes. The 2026 Notes are listed on the New York Stock Exchange under the symbol "HTFB".

#### *2027 Notes*

On June 15, 2022, the Company issued and sold an aggregate principal amount of \$50.0 million of 6.25% notes due in 2027 and on July 11, 2022, pursuant to the underwriters' 30 day option to purchase additional notes, the Company sold an additional \$7.5 million of such notes (collectively, the "2027 Notes"). The 2027 Notes have a stated maturity of June 15, 2027 and may be redeemed in whole or in part at the Company's option at any time or from time to time on or after June 15, 2024 at a redemption price of \$25 per security plus accrued and unpaid interest. The 2027 Notes bear interest at a rate of 6.25% per year, payable quarterly on March 30, June 30, September 30 and December 30 of each year, commencing on September 30, 2022. The 2027 Notes are the Company's direct unsecured obligations and (i) rank equally in right of payment with the Company's current and future unsecured indebtedness; (ii) are senior in right of payment to any of the Company's future indebtedness that expressly provides it is subordinated to the 2027 Notes; (iii) are effectively subordinated to all of the Company's existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grants security), to the extent of the value of the assets securing such indebtedness, and (iv) are structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries. As of March 31, 2024, the Company was in material compliance with the terms of the 2027 Notes. The 2027 Notes are listed on the New York Stock Exchange under the symbol "HTFC".

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 8. Financial instruments with off-balance-sheet risk**

In the normal course of business, the Company is party to financial instruments with off-balance-sheet risk to meet the financing needs of its borrowers. These financial instruments include commitments to extend credit and involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated statement of assets and liabilities. The Company attempts to limit its credit risk by conducting extensive due diligence and obtaining collateral where appropriate.

The balance of unfunded commitments to extend credit was \$168.2 million and \$180.5 million as of March 31, 2024 and December 31, 2023, respectively. Commitments to extend credit consist principally of the unused portions of commitments that obligate the Company to extend credit, often subject to financial or non-financial milestones and other conditions to borrow that must be achieved before the commitment can be drawn. In addition, the commitments generally have fixed expiration dates or other termination clauses. Since commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

The following table provides the Company's unfunded commitments by portfolio company as of March 31, 2024 and December 31, 2023:

	March 31, 2024		December 31, 2023	
	Commitment Amount	Fair Value of Unfunded Commitment Liability	Commitment Amount	Fair Value of Unfunded Commitment Liability
	(In thousands)		(In thousands)	
BrightInsight, Inc.	\$ 15,500	\$ 205	\$ 15,500	\$ 241
Britecore Holdings, Inc.	2,500	36	5,000	72
Candesant Biomedical Corporation	10,000	151	10,000	151
Ceribell, Inc.	21,000	120	—	—
Divergent Technologies, Inc.	—	—	11,250	118
Elligo Healthcare Research, Inc.	15,000	194	15,000	194
MicroTransponder, Inc.	22,500	—	22,500	—
Mirantis, Inc.	15,000	136	15,000	136
Nexii Building Solutions, Inc.	486	—	—	—
Optoro, Inc.	6,250	—	6,250	—
Parse Biosciences, Inc.	15,000	251	15,000	251
SafelyYou, Inc.	20,000	270	20,000	270
Sonex Health, Inc.	—	—	15,000	176
Supply Network Visibility Holdings, LLC	10,000	35	10,000	35
Tallac Therapeutics, Inc.	5,000	229	10,000	229
Viken Detection Corporation	10,000	160	10,000	160
<b>Total</b>	<b>\$ 168,236</b>	<b>\$ 1,787</b>	<b>\$ 180,500</b>	<b>\$ 2,033</b>

The table above also provides the fair value of the Company's unfunded commitment liability as of March 31, 2024 and December 31, 2023, which totaled \$1.8 million and \$2.0 million, respectively. The fair value at inception of the delay draw credit agreements is equal to the fees and/or warrants received to enter into these agreements, taking into account the remaining terms of the agreements and the counterparties' credit profile. The unfunded commitment liability reflects the fair value of these future funding commitments and is included in the Company's consolidated statement of assets and liabilities.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 9. Concentrations of credit risk**

The Company's debt investments consist primarily of loans to development-stage companies at various stages of development in the technology, life science, healthcare information and services and sustainability industries. Many of these companies may have relatively limited operating histories and also may experience variation in operating results. Many of these companies conduct business in regulated industries and could be affected by changes in government regulations. Most of the Company's borrowers will need additional capital to satisfy their continuing working capital needs and other requirements, and in many instances, to service the interest and principal payments on the loans.

The Company's largest debt investments may vary from period to period as new debt investments are recorded and existing debt investments are repaid. The Company's five largest debt investments at cost represented 23% of total debt investments outstanding as of March 31, 2024 and December 31, 2023. The Company's five largest debt investments at fair value represented 23% and 22% of total debt investments outstanding as of March 31, 2024 and December 31, 2023, respectively. No single debt investment represented more than 10% of the total debt investments at cost or fair value as of March 31, 2024 and December 31, 2023. Investment income, consisting of interest and fees, can fluctuate significantly upon repayment of large debt investments. Interest income from the five largest debt investments at cost accounted for 16% and 22% of total interest and fee income on investments for the three months ended March 31, 2024 and 2023, respectively. Interest income from the five largest debt investments at fair value accounted for 21% and 22% of total interest and fee income on investments for the three months ended March 31, 2024 and 2023, respectively.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 10. Distributions**

The Company's distributions are recorded on the declaration date. The following table summarizes the Company's distribution activity for the three months ended March 31, 2024 and for the year ended December 31, 2023:

Date Declared	Record Date	Payment Date	Amount	Cash	DRIP Shares	DRIP Share
			Per Share	Distribution	Issued	Value
(In thousands, except share and per share data)						
<b>Three Months Ended March 31, 2024</b>						
2/23/2024	5/17/2024	6/14/2024	\$ 0.11	\$ —	—	\$ —
2/23/2024	4/18/2024	5/15/2024	0.11	—	—	—
2/23/2024	3/19/2024	4/16/2024	0.05	1,625	7,598	85
2/23/2024	3/19/2024	4/16/2024	0.11	3,574	16,717	188
			\$ 0.38	\$ 5,199	24,315	\$ 273
<b>Year Ended December 31, 2023</b>						
10/27/2023	2/16/2024	3/15/2024	\$ 0.11	\$ 3,463	18,257	\$ 210
10/27/2023	1/18/2024	2/14/2024	0.11	3,462	15,873	210
10/27/2023	12/19/2023	1/16/2024	0.11	3,472	14,563	199
10/27/2023	11/17/2023	12/15/2023	0.05	1,574	7,137	93
7/28/2023	11/17/2023	12/15/2023	0.11	3,463	15,701	206
7/28/2023	10/18/2023	11/15/2023	0.11	3,493	14,022	173
7/28/2023	9/19/2023	10/16/2023	0.11	3,445	15,067	184
4/28/2023	8/17/2023	9/15/2023	0.11	3,458	8,665	106
4/28/2023	7/18/2023	8/15/2023	0.11	3,427	8,307	105
4/28/2023	6/16/2023	7/14/2023	0.11	3,434	7,424	96
2/23/2023	5/18/2023	6/14/2023	0.11	3,087	7,128	86
2/23/2023	4/18/2023	5/16/2023	0.11	3,068	6,705	84
2/23/2023	3/17/2023	4/14/2023	0.11	3,035	6,894	81
			\$ 1.37	\$ 41,881	145,743	\$ 1,833

On April 26, 2024, the Board declared monthly distributions per share, payable as set forth in the following table:

**Monthly distributions**

Ex-Dividend Date	Record Date	Payment Date	Distributions Declared
August 16, 2024	August 16, 2024	September 13, 2024	\$ 0.11
July 17, 2024	July 17, 2024	August 15, 2024	\$ 0.11
June 17, 2024	June 17, 2024	July 16, 2024	\$ 0.11

After paying distributions of \$0.33 per share and earning net investment income of \$0.38 per share for the quarter, the Company's undistributed spillover income as of March 31, 2024 was \$1.30 per share. Spillover income includes any ordinary income and net capital gains from the preceding tax years that were not distributed during such tax years.

**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 11. Financial highlights**

The following table shows financial highlights for the Company:

	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>(In thousands, except share and per share data)</b>		
<b>Per share data:</b>		
Net asset value at beginning of period	\$ 9.71	\$ 11.47
Net investment income	0.38	0.46
Realized loss	—	(0.01)
Unrealized depreciation on investments	(0.12)	(0.26)
Net increase in net assets resulting from operations	0.26	0.19
Distributions declared <sup>(1)</sup>	(0.38)	(0.33)
From net investment income	(0.38)	(0.33)
From net realized gain on investments	—	—
Return of capital	—	—
Other <sup>(2)</sup>	0.05	0.01
<b>Net asset value at end of period</b>	<b>\$ 9.64</b>	<b>\$ 11.34</b>
Per share market value, beginning of period	\$ 13.17	\$ 11.60
Per share market value, end of period	\$ 11.37	\$ 11.28
Total return based on a market value <sup>(3)</sup>	(11.2)%	0.1%
Shares outstanding at end of period	34,469,878	28,377,357
<b>Ratios to average net assets:</b>		
Expenses without incentive fee <sup>(4)</sup>	15.7%	14.8%
Incentive fees <sup>(4)</sup>	0.4%	3.7%
Net expenses <sup>(4)</sup>	16.1%	18.5%
Net investment income with incentive fee <sup>(4)</sup>	15.4%	16.3%
Net assets at the end of the period	\$ 332,121	\$ 321,683
Average net asset value	\$ 328,051	\$ 320,066
Average debt per share	\$ 13.61	\$ 15.61
Portfolio turnover ratio	1.4% <sup>(5)</sup>	4.2% <sup>(5)</sup>

(1) Distributions are determined based on taxable income calculated in accordance with income tax regulations, which may differ from amounts determined under GAAP due to (i) changes in unrealized appreciation and depreciation, (ii) temporary and permanent differences in income and expense recognition, and (iii) the amount of spillover income carried over from a given tax year for distribution in the following tax year. The final determination of taxable income for each tax year, as well as the tax attributes for distributions in such tax year, will be made after the close of the tax year.

(2) Includes the impact of the different share amounts as a result of calculating per share data based on the weighted average basic shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date. The issuance of common stock on a per share basis reflects the incremental net asset value changes as a result of the issuance of common stock in the Company's continuous public offering and pursuant to the Company's distribution reinvestment plan. The issuance of common stock at an offering price, net of sales commissions and dealer manager fees, that is greater than the net asset value per share results in an increase in net asset value per share.

(3) The total return equals the change in the ending market value over the beginning of period price per share plus distributions paid per share during the period, divided by the beginning price.

(4) Annualized.

(5) Calculated by dividing the lesser of purchases or the sum of (1) principal prepayments and (2) maturities by the monthly average debt investment balance.



**Horizon Technology Finance Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**Note 12. Subsequent Events**

In April 2024, the Company sold 526,581 shares of common stock under the 2023 Equity Distribution Agreement. For the same period, the Company received total accumulated net proceeds of approximately \$5.8 million, including \$0.1 million of offering expenses, from these sales.

On April 1, 2024, Provivi, Inc. (“Provivi”) paid down \$4.7 million of the principal amount of its loans outstanding and \$0.3 million of its ETPs under the Venture Loan and Security Agreement by and among the Company and Provivi, dated as of June 15, 2020, as amended.

On April 11, 2024, the Company funded a \$0.5 million equity investment to an existing portfolio company, Better Place Forests Co.

On April 22, 2024, Camp NYC, Inc. paid down \$1.0 million of the principal amount of its loan outstanding.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*In this quarterly report on Form 10-Q, except where the context suggests otherwise, the terms "we," "us," "our" and "Horizon Technology Finance" refer to Horizon Technology Finance Corporation and its consolidated subsidiaries. The information contained in this section should be read in conjunction with our consolidated financial statements and related notes thereto appearing elsewhere in this quarterly report on Form 10-Q.*

### **Forward-looking statements**

This quarterly report on Form 10-Q, including the Management's Discussion and Analysis of Financial Condition and Results of Operations, contains statements that constitute forward-looking statements, which relate to future events or our future performance or financial condition. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about our industry, our beliefs and our assumptions. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties, including statements as to:

- our future operating results, including the performance of our existing debt investments, warrants and other investments;
- the introduction, withdrawal, success and timing of business initiatives and strategies;
- general economic and political trends and other external factors, including continuing supply chain disruptions, increased inflation and a general slowdown in economic activity;
- the relative and absolute investment performance and operations of our Advisor;
- the impact of increased competition;
- the impact of investments we intend to make and future acquisitions and divestitures;
- the unfavorable resolution of legal proceedings;
- our business prospects and the prospects of our portfolio companies;
- geopolitical turmoil and the potential for volatility in energy prices and disruptions to global supply chains resulting from such turmoil and its impact on the industries in which we invest;
- the impact, extent and timing of technological changes and the adequacy of intellectual property protection;
- our regulatory structure and tax status;
- changes in the general interest rate environment;
- our ability to qualify and maintain qualification as a RIC and as a BDC;
- the adequacy of our cash resources and working capital;
- any losses or operations disruptions caused by us, our Advisor or our portfolio companies holding cash balances at financial institutions that exceed federally insured limits or by disruptions in the financial services industry;
- the timing of cash flows, if any, from the operations of our portfolio companies, and the resulting effect on our portfolio companies' decisions to make payment-in-kind ("PIK") interest payments or ability to make end of term payments;
- the impact of interest rate volatility on our results, particularly if we use leverage as part of our investment strategy;

- the ability of our portfolio companies to achieve their objective;
- the impact of legislative and regulatory actions and reforms and regulatory supervisory or enforcement actions of government agencies relating to us or our Advisor;
- our contractual arrangements and relationships with third parties;
- our ability to access capital and any future financings by us;
- our use of financial leverage;
- the ability of our Advisor to attract and retain highly talented professionals;
- the impact of changes to tax legislation and, generally, our tax position; and
- our ability to fund unfunded commitments.

We use words such as “anticipates,” “believes,” “expects,” “intends,” “seeks” and similar expressions to identify forward-looking statements. Undue influence should not be placed on the forward looking statements as our actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors in “Risk Factors” and elsewhere in our annual report on Form 10-K for the year ended December 31, 2023, and elsewhere in this quarterly report on Form 10-Q.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report on Form 10-Q, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements in this quarterly report on Form 10-Q, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the U.S. Securities and Exchange Commission, or the SEC, including periodic reports on Form 10-Q and Form 10-K and current reports on Form 8-K.

You should understand that under Sections 27A(b)(2)(B) and (D) of the Securities Act and Sections 21E(b)(2)(B) and (D) of the Exchange Act, the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 do not apply to statements made in connection with any annual or quarterly reports we file under the Exchange Act.

## Overview

We are a specialty finance company that lends to and invests in development-stage companies in the technology, life science, healthcare information and services and sustainability industries, which we refer to as our “Target Industries.” Our investment objective is to maximize our investment portfolio’s total return by generating current income from the debt investments we make and capital appreciation from the warrants we receive when making such debt investments. We are focused on making secured debt investments, which we refer to collectively as “Venture Loans,” to venture capital and private equity backed companies and publicly traded companies in our Target Industries, which we refer to as “Venture Lending.” Our debt investments are typically secured by first liens or first liens behind a secured revolving line of credit, or collectively “Senior Term Loans.” Some of our debt investments may also be subordinated to term debt provided by third parties. As of March 31, 2024, 87.0%, or \$583.4 million, of our debt investment portfolio at fair value consisted of Senior Term Loans. Venture Lending is typically characterized by (1) the making of a secured debt investment after a venture capital or equity investment in the portfolio company has been made, which investment provides a source of cash to fund the portfolio company’s debt service obligations under the Venture Loan, (2) the senior priority of the Venture Loan which requires repayment of the Venture Loan prior to the equity investors realizing a return on their capital, (3) the amortization of the Venture Loan and (4) the lender’s receipt of warrants or other success fees with the making of the Venture Loan.

We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a BDC under the Investment Company Act of 1940, as amended, or the 1940 Act. In addition, for U.S. federal income tax purposes, we have elected to be treated as a RIC under Subchapter M of the Code. As a BDC, we are required to comply with regulatory requirements, including limitations on our use of debt. We are permitted to, and expect to, finance our investments through borrowings subject to a 150% asset coverage test. As defined in the 1940 Act, asset coverage of 150% means that for every \$100 of net assets a BDC holds, it may raise up to \$200 from borrowing and issuing senior securities. The amount of leverage that we may employ will depend on our assessment of market conditions and other factors at the time of any proposed borrowing. As a RIC, we generally are not subject to corporate-level income taxes on our investment company taxable income, determined without regard to any deductions for dividends paid, and our net capital gain that we distribute as dividends for U.S. federal income tax purposes to our stockholders as long as we meet certain source-of-income, distribution, asset diversification and other requirements.

We were formed in March 2010 and completed an initial public offering.

Our investment activities, and our day-to-day operations, are managed by our Advisor and supervised by our Board, of which a majority of the members are independent of us. Under the Investment Management Agreement, we have agreed to pay our Advisor a base management fee and an incentive fee for its advisory services to us. We have also entered into the Administration Agreement with our Advisor under which we have agreed to reimburse our Advisor for our allocable portion of overhead and other expenses incurred by our Advisor in performing its obligations under the Administration Agreement.

### Portfolio composition and investment activity

The following table shows our portfolio by type of investment as of March 31, 2024 and December 31, 2023:

	March 31, 2024			December 31, 2023		
	Number of Investments	Fair Value	Percentage of Total Portfolio	Number of Investments	Fair Value	Percentage of Total Portfolio
	(Dollars in thousands)					
Debt investments	54	\$ 670,773	94.3%	56	\$ 670,172	94.5%
Warrants	85	23,928	3.4	85	24,594	3.5
Other investments	4	9,192	1.3	3	6,430	0.9
Equity	14	7,223	1.0	14	7,889	1.1
<b>Total</b>		<b>\$ 711,116</b>	<b>100.0%</b>		<b>\$ 709,085</b>	<b>100.0%</b>

The following table shows total portfolio investment activity as of and for the three months ended March 31, 2024 and 2023:

	For the three months ended March 31,	
	2024	2023
	(In thousands)	
Beginning portfolio	\$ 709,085	\$ 720,026
New debt and equity investments	34,569	47,008
Less refinanced debt balances	(11,250)	—
Net new debt and equity investments	23,319	47,008
Principal payments received on investments	(10,500)	(6,815)
Payment-in-kind interest on investments	1,382	1,204
Early pay-offs and principal paydowns	(9,143)	(32,941)
Accretion of debt investment fees	1,261	1,448
New debt investment fees	(309)	(300)
Proceeds from sale of investments	(41)	(6,520)
Net gain (loss) on investments	8	(168)
Net unrealized depreciation on investments	(3,960)	(7,537)
Other	14	(93)
<b>Ending portfolio</b>	<b>\$ 711,116</b>	<b>\$ 715,312</b>

We receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. The frequency or volume of these repayments may fluctuate significantly from period to period.

The following table shows our debt investments by industry sector as of March 31, 2024 and December 31, 2023:

	March 31, 2024		December 31, 2023	
	Debt Investments at Fair Value	Percentage of Total Portfolio	Debt Investments at Fair Value	Percentage of Total Portfolio
(Dollars in thousands)				
Life Science				
Biotechnology	\$ 116,522	17.4%	\$ 108,448	16.2%
Medical Device	150,908	22.5	137,367	20.5
Technology				
Communications	16,791	2.5	18,654	2.8
Consumer-Related	91,171	13.6	93,002	13.9
Networking	2,867	0.4	5,087	0.8
Software	152,131	22.7	158,016	23.6
Sustainability				
Other Sustainability	70,501	10.5	79,828	11.8
Healthcare Information and Services				
Diagnostics	19,476	2.9	19,453	2.9
Software	50,406	7.5	50,317	7.5
Total	\$ 670,773	100.0%	\$ 670,172	100.0%

The largest debt investments in our portfolio may vary from period to period as new debt investments are originated and existing debt investments are repaid. Our five largest debt investments at cost represented 23% of total debt investments outstanding as of March 31, 2024 and December 31, 2023. Our five largest debt investments at fair value represented 23% and 22% of total debt investments outstanding as of March 31, 2024 and December 31, 2023, respectively. No single debt investment at cost or fair value represented more than 10% of our total debt investments as of March 31, 2024 and December 31, 2023.

#### Debt investment asset quality

We use an internal credit rating system which rates each debt investment on a scale of 4 to 1, with 4 being the highest credit quality rating and 3 being the rating for a standard level of risk. A rating of 2 represents an increased level of risk and, while no loss is currently anticipated for a 2-rated debt investment, there is potential for future loss of principal. A rating of 1 represents a deteriorating credit quality and a high degree of risk of loss of principal. Our internal credit rating system is not a national credit rating system. As of March 31, 2024 and December 31, 2023, our debt investments had a weighted average credit rating of 3.1. The following table shows the classification of our debt investment portfolio by credit rating as of March 31, 2024 and December 31, 2023:

Credit Rating	March 31, 2024			December 31, 2023		
	Number of Investments	Debt Investments at Fair Value	Percentage of Debt Investments	Number of Investments	Debt Investments at Fair Value	Percentage of Debt Investments
(Dollars in thousands)						
4	13	\$ 197,989	29.5%	11	\$ 150,367	22.4%
3	36	407,237	60.7	39	452,911	67.6
2	1	14,546	2.2	2	39,343	5.9
1	4	51,001	7.6	4	27,551	4.1
Total	54	\$ 670,773	100.0%	56	\$ 670,172	100.0%

As of March 31, 2024, there were four debt investments with an internal credit rating of 1, with an aggregate cost of \$96.0 million and an aggregate fair value of \$51.0 million. As of December 31, 2023, there were four debt investments with an internal credit rating of 1, with an aggregate cost of \$72.5 million and an aggregate fair value of \$27.6 million.

## Consolidated results of operations

As a BDC and a RIC, we are subject to certain constraints on our operations, including limitations imposed by the 1940 Act and the Code. The consolidated results of operations described below may not be indicative of the results we report in future periods.

### Comparison of the three months ended March 31, 2024 and 2023

The following table shows consolidated results of operations for the three months ended March 31, 2024 and 2023:

	For the three months ended March 31,	
	2024	2023
	(In thousands)	
Total investment income	\$ 26,129	\$ 28,037
Total expenses	13,145	14,842
Net investment income before excise tax	12,984	13,195
Provision for excise tax	379	184
Net investment income	12,605	13,011
Net realized gain (loss)	8	(168)
Net unrealized depreciation on investments	(3,960)	(7,537)
Net increase in net assets resulting from operations	\$ 8,653	\$ 5,306
Average debt investments, at fair value	\$ 669,024	\$ 687,602
Average earning debt investments	\$ 651,229	\$ 701,803
Average gross assets less cash	\$ 728,087	\$ 737,826
Average borrowings outstanding	\$ 456,989	\$ 440,695

Net increase in net assets resulting from operations can vary substantially from period to period for various reasons, including, without limitation, the recognition of realized gains and losses and unrealized appreciation and depreciation on investments. As a result, quarterly comparisons of net increase in net assets resulting from operations may not be meaningful.

### Investment income

Total investment income decreased by \$1.9 million, or 6.8%, to \$26.1 million for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. For the three months ended March 31, 2024, total investment income consisted primarily of \$25.9 million in interest income from investments, which included \$3.4 million in income from the accretion of origination fees and end of term payments, or ETPs, \$1.4 million in PIK interest, and \$0.3 million in fee income. Interest income on debt investments decreased by \$1.5 million, or 5.6%, to \$25.9 million, for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. Interest income on debt investments for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 decreased primarily due to a decrease of \$50.6 million, or 7.2%, in the average earning debt investments, offset by an increase in the Prime Rate which is the base rate for most of our variable rate debt investments. Fee income, which includes success fee, other fee and prepayment fee income on debt investments, decreased by \$0.4 million, or 58.0%, to \$0.3 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 primarily due to a lower aggregate amount of principal prepayments for the three months ended March 31, 2024 compared to the three months ended March 31, 2023.

The following table shows our dollar-weighted annualized yield for the three months ended March 31, 2024 and 2023:

Investment type:	For the three months ended March 31,	
	2024	2023
Debt investments(1)	15.6%	16.3%
All investments(1)	14.7%	15.5%

(1) We calculate the dollar-weighted annualized yield on average investment type for any period as (1) total related investment income during the period divided by (2) the average of the fair value of the investment type outstanding on (a) the last day of the calendar month immediately preceding the first day of the period and (b) the last day of each calendar month during the period. The dollar-weighted annualized yield on average investment type is higher than what investors will realize because it does not reflect our expenses or any sales load paid by investors.

Investment income, consisting of interest income and fees on debt investments, can fluctuate significantly upon repayment of large debt investments. Interest income from the five largest debt investments at cost in the aggregate accounted for 16% and 22% of investment income for the three months ended March 31, 2024 and 2023, respectively. Interest income from the five largest debt investments at fair value in the aggregate accounted for 21% and 22% of investment income for the three months ended March 31, 2024 and 2023, respectively.

### *Expenses*

Total expenses decreased by \$1.7 million, or 11.4%, to \$13.1 million for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. Total expenses for each period consisted of interest expense, base management fee, incentive and administrative fees, professional fees and general and administrative expenses.

Interest expense increased by \$1.0 million, or 14.6%, to \$8.2 million for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. Interest expense, which includes the amortization of debt issuance costs, increased primarily due to an increase in average borrowings of \$16.3 million, or 3.7%, for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 and an increase in our effective cost of debt for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023.

Base management fee expense decreased by \$0.04 million, or 1.2%, to \$3.2 million for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. Base management fee decreased primarily due to a decrease of \$9.7 million, or 1.3%, in average gross assets less cash for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023.

Performance based incentive fee expense decreased by \$2.7 million, or 90.1%, to \$0.3 million for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. This decrease was due to an Incentive Fee Cap and Deferral Mechanism in our Investment Management Agreement of \$2.3 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The Incentive Fee Cap and Deferral Mechanism resulted in \$2.3 million of reduced incentive fee expense and increased net investment income for the three months ended March 31, 2024. The incentive fee on pre-incentive fee net investment income was subject to the Incentive Fee Cap for the three months ended March 31, 2024 due to the cumulative incentive fees paid exceeding 20% of cumulative pre-incentive fee net return during the applicable quarter and the 11 preceding full calendar quarters.

Administrative fee expense, professional fees and general and administrative expenses were \$1.5 million for the three months ended March 31, 2024 and 2023.

### *Net realized gains and losses and net unrealized appreciation and depreciation*

Realized gains or losses on investments are measured by the difference between the net proceeds from the repayment or sale and the cost basis of our investments without regard to unrealized appreciation or depreciation previously recognized. Realized gains or losses on investments include investments charged off during the period, net of recoveries. The net change in unrealized appreciation or depreciation on investments primarily reflects the change in portfolio investment fair values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

During the three months ended March 31, 2024, we realized net gains on investments totaling \$0.01 million. During the three months ended March 31, 2023, we realized net losses on investments totaling \$0.2 million primarily due to the write off of warrants in three portfolio companies.

During the three months ended March 31, 2024, net unrealized depreciation on investments totaled \$4.0 million which was primarily due to the unrealized depreciation on two of our debt investments and one of our equity investments offset by the unrealized appreciation on one of our debt investments. During the three months ended March 31, 2023, net unrealized depreciation on investments totaled \$7.5 million which was primarily due to the unrealized depreciation on five of our debt investments and the unrealized depreciation on our warrant investments.

### *Liquidity and capital resources*

As of March 31, 2024 and December 31, 2023, we had cash and investments in money market funds of \$68.8 million and \$73.1 million, respectively. Cash and investments in money market funds are available to fund new investments, reduce borrowings, pay expenses, repurchase common stock and pay distributions. In addition, as of March 31, 2024 and December 31, 2023, we had \$2.5 million and \$2.6 million, respectively, of restricted investments in money market funds. Restricted investments in money market funds may be used to make monthly interest and principal payments on our 2022 Asset-Backed Notes or our NYL Facility. Our primary sources of capital have been from our public equity offerings, use of our revolving credit facility (the “Key Facility”) with KeyBank National Association (“Key”) and the Note Funding Agreement (the “NYL Facility”, together with the Key Facility, the “Credit Facilities”) with several entities owned or affiliated with New York Life Insurance Company, and issuance of our public and private debt securities.

On August 2, 2021, we entered into an At-The-Market (“ATM”) sales agreement (the “2021 Equity Distribution Agreement”) with Goldman Sachs & Co. LLC and B. Riley FBR, Inc., (each a “Sales Agent” and, collectively, the “Sales Agents”). The 2021 Equity Distribution Agreement provided that we may offer and sell shares of our common stock from time to time through the Sales Agents up to \$100.0 million worth of our common stock, in amounts and at times to be determined by us.

On September 22, 2023, we terminated the 2021 Equity Distribution Agreement and entered into a new ATM sales agreement (the “2023 Equity Distribution Agreement”) with the Sales Agents. The remaining shares available under the 2021 Equity Distribution Agreement are no longer available for issuance. The 2023 Equity Distribution Agreement provides that we may offer and sell shares of our common stock from time to time through the Sales Agents up to \$150.0 million worth of our common stock, in amounts and at times to be determined by us. Sales of our common stock, if any, may be made in negotiated transactions or transactions that are deemed to be “at-the-market,” as defined in Rule 415 under the Securities Act, including sales made directly on the NASDAQ or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices.

During the three months ended March 31, 2024, we sold 1,053,796 shares of common stock under the 2023 Equity Distribution Agreement. For the same period, we received total accumulated net proceeds of approximately \$12.0 million, including \$0.3 million of offering expenses, from these sales.

During the three months ended March 31, 2023, we sold 605,848 shares of common stock under the 2021 Equity Distribution Agreement. For the same period, we received total accumulated net proceeds of approximately \$7.2 million, including \$0.2 million of offering expenses, from these sales.



On April 26, 2024, our Board extended a previously authorized stock repurchase program which allows us to repurchase up to \$5.0 million of our common stock at prices below our net asset value (“NAV”) per share as reported in our most recent consolidated financial statements. Under the repurchase program, we may, but are not obligated to, repurchase shares of our outstanding common stock in the open market or in privately negotiated transactions from time to time. Any repurchases by us will comply with the requirements of Rule 10b-18 under the Exchange Act and any applicable requirements of the 1940 Act. Unless extended by our Board, the repurchase program will terminate on the earlier of June 30, 2025 or the repurchase of \$5.0 million of our common stock. During the three months ended March 31, 2024 and 2023, we did not make any repurchases of our common stock. From the inception of the stock repurchase program through March 31, 2024, we repurchased 167,465 shares of our common stock at an average price of \$11.22 on the open market at a total cost of \$1.9 million.

At March 31, 2024 and December 31, 2023, the outstanding principal balance under our Key Facility was \$60.0 million and \$70.0 million, respectively. As of March 31, 2024 and December 31, 2023, we had borrowing capacity under the Key Facility of \$90.0 million and \$80.0 million, respectively. At March 31, 2024 and December 31, 2023, \$20.3 million and \$25.0 million, respectively, was available, subject to existing terms and advance rates.

At March 31, 2024 and December 31, 2023, the outstanding principal balance under the NYL Facility was \$181.0 million. As of March 31, 2024 and December 31, 2023, we had borrowing capacity under the NYL Facility of \$69.0 million. At March 31, 2024 and December 31, 2023, \$0.9 million and \$17.4 million, respectively, was available, subject to existing terms and advance rates.

Our operating activities provided cash of \$4.0 million for the three months ended March 31, 2024, and our financing activities used cash of \$8.4 million for the same period. Our operating activities provided cash from principal payments received on our debt investments partially offset by cash used to purchase investments in portfolio companies. Our financing activities used cash primarily to repay our Key Facility and to pay distributions to our stockholders, partially offset from the sale of shares through our ATM for net proceeds of \$12.0 million.

Our operating activities provided cash of \$12.7 million for the three months ended March 31, 2023, and our financing activities provided cash of \$3.3 million for the same period. Our operating activities provided cash from principal payments received on our debt investments partially offset by cash used to purchase investments in portfolio companies. Our financing activities provided cash primarily from advances on our Credit Facilities and the sale of shares through our ATM for net proceeds of \$7.2 million, partially offset by cash used to repay our 2019 Asset-Backed Notes and to pay distributions to our stockholders.

Our primary use of available funds is to make debt investments in portfolio companies and for general corporate purposes. We expect to raise additional equity and debt capital opportunistically as needed and, subject to market conditions, to support our future growth to the extent permitted by the 1940 Act.

In order to remain subject to taxation as a RIC, we intend to distribute to our stockholders all or substantially all of our investment company taxable income. In addition, as a BDC, we are required to maintain asset coverage of at least 150%. This requirement limits the amount that we may borrow.

We believe that our current cash, cash generated from operations, and funds available from our Credit Facilities will be sufficient to meet our working capital and capital expenditure commitments for at least the next 12 months.

### Current borrowings

The following table shows our borrowings as of March 31, 2024 and December 31, 2023:

	March 31, 2024			December 31, 2023		
	Total Commitment	Balance Outstanding	Unused Commitment	Total Commitment	Balance Outstanding	Unused Commitment
	(In thousands)					
Key Facility	\$ 150,000	\$ 60,000	\$ 90,000	\$ 150,000	\$ 70,000	\$ 80,000
NYL Facility	250,000	181,000	69,000	250,000	181,000	69,000
2022 Asset-Backed Notes	100,000	100,000	—	100,000	100,000	—
2027 Notes	57,500	57,500	—	57,500	57,500	—
2026 Notes	57,500	57,500	—	57,500	57,500	—
Total before debt issuance costs	615,000	456,000	159,000	615,000	466,000	149,000
Unamortized debt issuance costs attributable to term borrowings	—	(3,510)	—	—	(3,765)	—
Total borrowings outstanding, net	\$ 615,000	\$ 452,490	\$ 159,000	\$ 615,000	\$ 462,235	\$ 149,000

### Credit Facilities

#### Key Facility

We entered into the Key Facility effective November 4, 2013. The interest rate on the Key Facility is based on the rate of interest published in The Wall Street Journal as the prime rate in the United States plus 0.25%, with a prime rate floor of 4.25%. The prime rate was 8.50% as of March 31, 2024 and December 31, 2023. The interest rate in effect was 8.75% as of March 31, 2024 and December 31, 2023. The Key Facility requires the payment of an unused line fee in an amount up to 0.50% of any unborrowed amount available under the facility annually.

On June 29, 2023, we amended the Key Facility to, among other things, increase the commitment amount to \$150 million and to increase the amount of the accordion feature which now allows the potential increase in the total commitment amount to \$300 million. The Key Facility is collateralized by debt investments held by Credit II and permits an advance rate of up to sixty percent (60%) of eligible debt investments held by Credit II. The Key Facility contains covenants that, among other things, require us to maintain a minimum net worth, to restrict the debt investments securing the Key Facility to certain criteria for qualified debt investments and to comply with portfolio company concentration limits as defined in the related loan agreement. After the period during which we may request advances under the Key Facility (or the “Revolving Period”), we may not request new advances, and we must repay the outstanding advances under the Key Facility as of such date, at such times and in such amounts as are necessary to maintain compliance with the terms and conditions of the Key Facility, particularly the condition that the principal balance of the Key Facility not exceed sixty percent (60%) of the aggregate principal balance of our eligible debt investments to our portfolio companies. The Revolving Period ends on June 22, 2024 and the maturity date of the Key Facility, the date on which all outstanding advances under the Key Facility are due and payable, is June 22, 2026.

#### NYL Facility

HFI is a wholly-owned subsidiary of HSLFI. HFI entered into the NYL Facility with the NYL Noteholders for an aggregate purchase price of up to \$100.0 million, with an accordion feature of up to \$200.0 million at the mutual discretion and agreement of HSLFI and the NYL Noteholders. On June 1, 2018, HSLFI sold or contributed to HFI certain secured loans made to certain portfolio companies pursuant to the Sale and Servicing Agreement. Any notes issued by HFI are collateralized by all investments held by HFI and permit an advance rate of up to 67% of the aggregate principal amount of eligible debt investments.

On February 25, 2022, we amended the NYL Facility to, among other things, reduce the applicable margin used to calculate the NYL Facility’s interest rate on our borrowings above \$100 million. Such borrowings were priced at the three-year USD mid-market swap rate plus 3.00%.

On May 24, 2023, we amended the NYL Facility to, among other things, increase the commitment by \$50.0 million to enable our wholly-owned subsidiary to issue up to \$250.0 million of secured notes. The amendment to the NYL Facility extends the investment period to June 2024 and the maturity date of all advances to June 2029. In addition, the amendment amended the interest rate for advances made after May 24, 2023, fixing the interest rate at the greater of (i) 4.60% and (ii) the Three Year I-Curve plus 3.50% with the interest rate to be reset on any advance date.

Under the terms of the NYL Facility, we are required to maintain a reserve cash balance, which may be used to pay monthly interest and principal payments on the NYL Facility. We have segregated these funds and classified them as restricted investments in money market funds. At March 31, 2024, and December 31, 2023, there were approximately \$1.4 million of restricted investments.

There were \$181.0 million in notes issued to the NYL Noteholders as of March 31, 2024 and December 31, 2023 at an interest rate of 6.18% and 5.96%, respectively. As of March 31, 2024 and December 31, 2023, we had borrowing capacity under the NYL Facility of \$69.0 million. At March 31, 2024 and December 31, 2023, \$0.9 million and \$17.4 million, respectively, was available for borrowing, subject to existing terms and advance rates.

## **Securizations**

### *2019 Asset-Backed Notes*

On August 13, 2019, the 2019 Asset-Backed Notes were issued by the 2019-1 Trust pursuant to a note purchase agreement, dated as of August 13, 2019, by and among us and Keybanc Capital Markets Inc. as Initial Purchaser, and were backed by a pool of loans made to certain portfolio companies of ours and secured by certain assets of those portfolio companies. The 2019 Asset-Backed Notes were rated A+(sf) by Morningstar Credit Ratings, LLC on August 13, 2019. The 2019 Asset-Backed Notes bore interest at a fixed rate of 4.21% per annum and had a stated maturity of September 15, 2027. As of December 31, 2023, the 2019 Asset-Backed Notes were repaid in full.

### *2022 Asset-Backed Notes*

On November 9, 2022, the 2022 Asset-Backed Notes were issued by the 2022-1 Trust pursuant to a note purchase agreement, dated as of November 9, 2022, by and among us and Keybanc Capital Markets Inc. as Initial Purchaser, and are backed by a pool of loans made to certain portfolio companies of ours and secured by certain assets of those portfolio companies and are to be serviced by us. Interest on the 2022 Asset-Backed Notes will be paid, to the extent of funds available, at a fixed rate of 7.56% per annum. The 2022 Asset-Backed Notes have a two-year reinvestment period and a stated maturity of November 15, 2030. The 2022 Asset-Backed Notes were rated A by Morningstar Credit Ratings, LLC on November 9, 2022. There has been no change in the rating since November 9, 2022.

At March 31, 2024 and December 31, 2023, the 2022 Asset-Backed Notes had an outstanding principal balance of \$100.0 million.

Under the terms of the 2022 Asset-Backed Notes, we are required to maintain a reserve cash balance, funded through proceeds from the sale of the 2022 Asset-Backed Notes, which may be used to pay monthly interest and principal payments on the 2022 Asset-Backed Notes. We have segregated these funds and classified them as restricted investments in money market funds. At March 31, 2024, and December 31, 2023, there were approximately \$1.2 million and \$1.3 million, respectively, of restricted investments.

## **Unsecured Notes**

### *2026 Notes*

On March 30, 2021, we issued and sold an aggregate principal amount of \$57.5 million of 4.875% notes due in 2026 (the “2026 Notes”). The amount of 2026 Notes issued and sold included the full exercise by the underwriters of their option to purchase \$7.5 million in aggregate principal of additional notes. The 2026 Notes have a stated maturity of March 30, 2026 and may be redeemed in whole or in part at our option at any time or from time to time on or after March 30, 2023 at a redemption price of \$25 per security plus accrued and unpaid interest. The 2026 Notes bear interest at a rate of 4.875% per year, payable quarterly on March 30, June 30, September 30 and December 30 of each year. The 2026 Notes are our direct unsecured obligations and (i) rank equally in right of payment with our current and future unsecured indebtedness; (ii) are senior in right of payment to any of our future indebtedness that expressly provides it is subordinated to the 2026 Notes; (iii) are effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, and (iv) are structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries. As of March 31, 2024, we were in material compliance with the terms of the 2026 Notes. The 2026 Notes are listed on the New York Stock Exchange under the symbol “HTFB”.

### *2027 Notes*

On June 15, 2022, we issued and sold an aggregate principal amount of \$50.0 million of 6.25% notes due in 2027 and on July 11, 2022, pursuant to the underwriters’ 30 day option to purchase additional notes, we sold an additional \$7.5 million of such notes (collectively, the “2027 Notes”). The 2027 Notes have a stated maturity of June 15, 2027 and may be redeemed in whole or in part at our option at any time or from time to time on or after June 15, 2024 at a redemption price of \$25 per security plus accrued and unpaid interest. The 2027 Notes bear interest at a rate of 6.25% per year, payable quarterly on March 30, June 30, September 30 and December 30 of each year, commencing on September 30, 2022. The 2027 Notes are our direct unsecured obligations and (i) rank equally in right of payment with our current and future unsecured indebtedness; (ii) are senior in right of payment to any of our future indebtedness that expressly provides it is subordinated to the 2027 Notes; (iii) are effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, and (iv) are structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries. As of March 31, 2024, we were in material compliance with the terms of the 2027 Notes. The 2027 Notes are listed on the New York Stock Exchange under the symbol “HTFC”.

**Other assets**

As of March 31, 2024 and December 31, 2023, other assets were \$3.3 million and \$3.6 million, respectively, which was primarily comprised of debt issuance costs and prepaid expenses.

**Contractual obligations and off-balance sheet arrangements**

The following table shows our significant contractual payment obligations and off-balance sheet arrangements as of March 31, 2024:

	<b>Payments due by period</b>				
	<b>Total</b>	<b>Less than 1 year</b>	<b>1 – 3 Years</b>	<b>3 – 5 Years</b>	<b>After 5 years</b>
	<b>(In thousands)</b>				
Borrowings	\$ 456,000	\$ 50,136	\$ 252,574	\$ 153,290	\$ —
Unfunded commitments	168,236	131,236	37,000	—	—
Incentive fee deferral	13,133	—	13,133	—	—
<b>Total</b>	<b>\$ 637,369</b>	<b>\$ 181,372</b>	<b>\$ 302,707</b>	<b>\$ 153,290</b>	<b>\$ —</b>

In the normal course of business, we are party to financial instruments with off-balance sheet risk. These consist primarily of unfunded commitments to extend credit, in the form of loans, to our portfolio companies. Unfunded commitments to provide funds to portfolio companies are not reflected on our balance sheet. Our unfunded commitments may be significant from time to time. As of March 31, 2024, we had unfunded commitments of \$168.2 million. This includes no undrawn revolver commitments. These commitments are subject to the same underwriting and ongoing portfolio maintenance requirements as are the financial instruments that we hold on our balance sheet. In addition, these commitments are often subject to financial or non-financial milestones and other conditions to borrowing that must be achieved before the commitment can be drawn. Since these commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. We regularly monitor our unfunded commitments and anticipated refinancings, maturities and capital raising, to ensure that we have sufficient liquidity to fund unfunded commitments. As of March 31, 2024, we reasonably believed that our assets would provide adequate financial resources to satisfy all of our unfunded commitments.

In addition to the Credit Facilities, we have certain commitments pursuant to our Investment Management Agreement entered into with our Advisor. We have agreed to pay a fee for investment advisory and management services consisting of two components (1) a base management fee equal to a percentage of the value of our gross assets less cash or cash equivalents, and (2) a two-part incentive fee. We have also entered into a contract with our Advisor to serve as our administrator. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of our Advisor's overhead in performing its obligations under the agreement, including rent, fees and other expenses inclusive of our allocable portion of the compensation of our Chief Financial Officer and Chief Compliance Officer and their respective staffs. See Note 3 to our consolidated financial statements for additional information regarding our Investment Management Agreement and our Administration Agreement.

The incentive fee on Pre-Incentive Fee Net Investment Income is subject to a fee cap and deferral mechanism which is determined based upon a look-back period of up to three years and is expensed when incurred. For this purpose, the Incentive Fee Look-back Period includes the relevant calendar quarter and the 11 preceding full calendar quarters. Each quarterly incentive fee payable on Pre-Incentive Fee Net Investment Income is subject to the Incentive Fee Cap and Deferral Mechanism. The Incentive Fee Cap is equal to (a) 20.00% of Cumulative Pre-Incentive Fee Net Return during the Incentive Fee Look-back Period less (b) cumulative incentive fees of any kind paid to our Advisor during the Incentive Fee Look-back Period. To the extent the Incentive Fee Cap is zero or a negative value in any calendar quarter, we will not pay an incentive fee on Pre-Incentive Fee Net Investment Income to our Advisor in that quarter. To the extent that the payment of incentive fees on Pre-Incentive Fee Net Investment Income is limited by the Incentive Fee Cap, the payment of such fees will be deferred and paid in subsequent calendar quarters up to three years after their date of deferral, subject to certain limitations, which are set forth in the Investment Management Agreement. During the three months ended March 31, 2024, the Incentive Fee Cap and Deferral Mechanism resulted in deferral of \$2.3 million of incentive fee which may become subject to payment up to three years after the date of deferral. As of March 31, 2024, the total amount subject to recoupment was \$13.1 million.

### ***Distributions***

In order to qualify and be subject to tax as a RIC, we must meet certain source-of-income, asset diversification and annual distribution requirements. Generally, in order to qualify as a RIC, we must derive at least 90% of our gross income for each tax year from dividends, interest, payments with respect to certain securities, loans, gains from the sale or other disposition of stock, securities or foreign currencies, income derived from certain publicly traded partnerships, or other income derived with respect to our business of investing in stock or other securities. We must also meet certain asset diversification requirements at the end of each quarter of each tax year. Failure to meet these diversification requirements on the last day of a quarter may result in us having to dispose of certain investments quickly in order to prevent the loss of RIC status. Any such dispositions could be made at disadvantageous prices or times, and may cause us to incur substantial losses.

In addition, in order to be subject to tax as a RIC and to avoid the imposition of corporate-level tax on the income and gains we distribute to our stockholders in respect of any tax year, we are required under the Code to distribute as dividends to our stockholders out of assets legally available for distribution each tax year an amount generally at least equal to 90% of the sum of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any. Additionally, in order to avoid the imposition of a U.S. federal excise tax, we are required to distribute, in respect of each calendar year, dividends to our stockholders of an amount at least equal to the sum of 98% of our calendar year net ordinary income (taking into account certain deferrals and elections); 98.2% of our capital gain net income (adjusted for certain ordinary losses) for the one year period ending on October 31 of such calendar year; and any net ordinary income and capital gain net income for preceding calendar years that were not distributed during such calendar years and on which we previously did not incur any U.S. federal income tax. If we fail to qualify as a RIC for any reason and become subject to corporate tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. Such a failure would have a material adverse effect on us and our stockholders. In addition, we could be required to recognize unrealized gains, incur substantial taxes and interest and make substantial distributions in order to re-qualify as a RIC. We cannot assure stockholders that they will receive any distributions.

To the extent our taxable earnings in a tax year fall below the total amount of our distributions made to stockholders in respect of such tax year, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our income or gains. Stockholders should review any written disclosure accompanying a distribution payment carefully and should not assume that the source of any distribution is our ordinary income or gains.

We have adopted an “opt out” dividend reinvestment plan, or DRIP, for our common stockholders. As a result, if we declare a distribution, then stockholders’ cash distributions will be automatically reinvested in additional shares of our common stock unless a stockholder specifically “opts out” of our DRIP. If a stockholder opts out, that stockholder will receive cash distributions. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes, stockholders participating in our DRIP will not receive any corresponding cash distributions with which to pay any such applicable taxes. If our common stock is trading above NAV, a stockholder receiving distributions in the form of additional shares of our common stock will be treated as receiving a distribution of an amount equal to the fair market value of such shares of our common stock. We may use newly issued shares to implement the DRIP, or we may purchase shares in the open market in connection with our obligations under the DRIP.

### **Related party transactions**

We have entered into the Investment Management Agreement with our Advisor. Our Advisor is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. Our investment activities are managed by our Advisor and supervised by our Board, the majority of whom are independent directors. Under the Investment Management Agreement, we have agreed to pay our Advisor a base management fee as well as an incentive fee. During the three months ended March 31, 2024 and 2023, our Advisor earned \$3.5 million and \$6.2 million, respectively, pursuant to the Investment Management Agreement.

On February 22, 2023, our Advisor, Horizon Technology Finance Principals LLC f/k/a Horizon Technology Finance, LLC (“HTF Principals”) and Horizon Technology Finance Employees LLC (“HTF Employees”) entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”) with MCH Holdco LLC (“MCH Holdco”), an affiliate of Monroe Capital LLC (“Monroe Capital”), and Monroe Capital Investment Holdings, L.P., an affiliate of Monroe Capital and the sole stockholder of MCH Holdco. On June 30, 2023, pursuant to the Purchase Agreement, HTF Principals and HTF Employees sold all of their membership interests in our Advisor (which constitute one hundred percent (100%) of the membership interests of our Advisor) to MCH Holdco and our Advisor became a direct wholly owned subsidiary of MCH Holdco and an affiliate of Monroe Capital. Pursuant to the Purchase Agreement, a significant portion of the consideration payable by Monroe Capital to HTF Principals and HTF Employees is in the form of earnout payments contingent upon our performance in 2023, 2024, and 2025, aligning the incentives of our Advisor’s current officers with our stockholders.

We have also entered into the Administration Agreement with our Advisor. Under the Administration Agreement, we have agreed to reimburse our Advisor for our allocable portion of overhead and other expenses incurred by our Advisor in performing its obligations under the Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Financial Officer and Chief Compliance Officer and their respective staffs. In addition, pursuant to the terms of the Administration Agreement our Advisor provides us with the office facilities and administrative services necessary to conduct our day-to-day operations. During the three months ended March 31, 2024 and 2023, our Advisor earned \$0.4 million pursuant to the Administration Agreement.

In connection with the Purchase Agreement, HTF Principals sold its trademark interest in “Horizon Technology Finance”, and granted us a royalty-free license to use the name “Horizon Technology Finance.”

We believe that we derive substantial benefits from our relationship with our Advisor. Our Advisor or its affiliates may manage other investment vehicles (the “Advisor Funds”), with the same investment strategy as us, which now may include investment vehicles managed by affiliates of Monroe Capital. Our Advisor may provide us an opportunity to co-invest with the Advisor Funds. Under the 1940 Act, absent receipt of exemptive relief from the SEC, we and our affiliates are precluded from co-investing in negotiated investments. Monroe Capital's exemptive relief to permit joint transactions granted by the SEC on October 15, 2014, as amended, permits us to co-invest with the Advisor Funds, subject to certain conditions.

### **Critical accounting policies**

The discussion of our financial condition and results of operation is based upon our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. In addition to the discussion below, we describe our significant accounting policies in the notes to our consolidated financial statements.

We have identified the following items as critical accounting policies.

#### ***Valuation of investments***

Investments are recorded at fair value. Prior to July 30, 2022, our Board determined the fair value of our investments. Pursuant to the amended SEC Rule 2a-5 of the 1940 Act, on July 29, 2022, our Board designated our Advisor as the “valuation designee.” Our Board is responsible for oversight of the valuation designee. The valuation designee has established a Valuation Committee to determine in good faith the fair value of our investments, based on input of our Advisor’s management and personnel and independent valuation firms which are engaged at the direction of the Valuation Committee to assist in the valuation of certain portfolio investments lacking a readily available market quotation at least once during a trailing twelve-month period. The Valuation Committee determines fair values pursuant to a valuation policy approved by our Board and pursuant to a consistently applied valuation process. This valuation process is conducted at the end of each fiscal quarter, with at least 25% (based on fair value) of our valuation of portfolio companies lacking readily available market quotations subject to review by an independent valuation firm. We apply fair value to substantially all of our investments in accordance with Topic 820, *Fair Value Measurement*, of the Financial Accounting Standards Board’s, or FASB’s, Accounting Standards Codification as amended, or ASC, which establishes a framework used to measure fair value and requires disclosures for fair value measurements. We have categorized our investments carried at fair value, based on the priority of the valuation technique, into a three-level fair value hierarchy. Fair value is a market-based measure considered from the perspective of the market participant who holds the financial instrument rather than an entity specific measure. Therefore, when market assumptions are not readily available, our own assumptions are set to reflect those that we believe market participants would use in pricing the financial instrument at the measurement date.

The availability of observable inputs can vary depending on the financial instrument and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new, whether the product is traded on an active exchange or in the secondary market and the current market conditions. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. The three categories within the hierarchy are as follows:

- Level 1** Quoted prices in active markets for identical assets and liabilities.
- Level 2** Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active and model-based valuation techniques for which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

### ***Income recognition***

Interest on debt investments is accrued and included in income based on contractual rates applied to principal amounts outstanding. Interest income is determined using a method that results in a level rate of return on principal amounts outstanding. Generally, when a debt investment becomes 90 days or more past due, or if we otherwise do not expect to receive interest and principal repayments, the debt investment is placed on non-accrual status and the recognition of interest income may be discontinued. Interest payments received on non-accrual debt investments may be recognized as income, on a cash basis, or applied to principal depending upon management's judgment at the time the debt investment is placed on non-accrual status. For the three months ended March 31, 2024 and 2023, we did not recognize any interest income from debt investments on non-accrual status.

We receive a variety of fees from borrowers in the ordinary course of conducting our business, including advisory fees, commitment fees, amendment fees, non-utilization fees, success fees and prepayment fees. In a limited number of cases, we may also receive a non-refundable deposit earned upon the termination of a transaction. Debt investment origination fees, net of certain direct origination costs, are deferred, and along with unearned income, are amortized as a level yield adjustment over the respective term of the debt investment. All other income is recorded into income when earned. Fees for counterparty debt investment commitments with multiple debt investments are allocated to each debt investment based upon each debt investment's relative fair value. When a debt investment is placed on non-accrual status, the amortization of the related fees and unearned income is discontinued until the debt investment is returned to accrual status.

Certain debt investment agreements also require the borrower to make an ETP that is accrued into income over the life of the debt investment to the extent such amounts are expected to be collected. We will generally cease accruing the income if there is insufficient value to support the accrual or if we do not expect the borrower to be able to pay all principal and interest due.

In connection with substantially all lending arrangements, we receive warrants to purchase shares of stock from the borrower. We record the warrants as assets at estimated fair value on the grant date using the Black-Scholes valuation model. We consider the warrants as loan fees and record them as unearned income on the grant date. The unearned income is recognized as interest income over the contractual life of the related debt investment in accordance with our income recognition policy. Subsequent to origination, the warrants are also measured at fair value using the Black-Scholes valuation model. Any adjustment to fair value is recorded through earnings as net unrealized gain or loss on investments. Gains and losses from the disposition of the warrants or stock acquired from the exercise of warrants are recognized as realized gains and losses on investments.

Realized gains or losses on the sale of investments, or upon the determination that an investment balance, or portion thereof, is not recoverable, are calculated using the specific identification method. We measure realized gains or losses by calculating the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment. Net change in unrealized appreciation or depreciation reflects the change in the fair values of our portfolio investments during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

### ***Income taxes***

We have elected to be treated as a RIC under Subchapter M of the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. In order to qualify as a RIC and to avoid the imposition of corporate-level U.S. federal income tax on the amounts we distribute to our stockholders, among other things, we are required to meet certain source of income and asset diversification requirements, and we must timely distribute dividends to our stockholders out of assets legally available for distribution each tax year of an amount generally equal to at least 90% of our investment company taxable income, as defined by the Code and determined without regard to any deduction for dividends paid. We, among other things, have made and intend to continue to make the requisite distributions to our stockholders, which will generally relieve us from incurring any material liability for U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and incur a 4% excise tax on such income, as required. To the extent that we determine that our estimated current year annual taxable income will be in excess of estimated current year distributions, we will accrue excise tax, if any, on estimated excess taxable income as taxable income is earned.

We evaluate tax positions taken in the course of preparing our tax returns to determine whether the tax positions are “more-likely-than-not” to be sustained by the applicable tax authority in accordance with ASC Topic 740, *Income Taxes*, as modified by ASC Topic 946, *Financial Services — Investment Companies*. Tax benefits of positions not deemed to meet the more-likely-than-not threshold, or uncertain tax positions, are recorded as a tax expense in the current year. It is our policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. We had no material uncertain tax positions at March 31, 2024 and December 31, 2023.

### **Recent developments**

In April 2024, we sold 526,581 shares of common stock under the 2023 Equity Distribution Agreement. For the same period, we received total accumulated net proceeds of approximately \$5.8 million, including \$0.1 million of offering expenses, from these sales.

On April 1, 2024, Provivi, Inc. (“Provivi”) paid down \$4.7 million of the principal amount of its loans outstanding and \$0.3 million of its ETPs under the Venture Loan and Security Agreement by and among us and Provivi, dated as of June 15, 2020, as amended.

On April 11, 2024, we funded a \$0.5 million equity investment to an existing portfolio company, Better Place Forests Co.

On April 22, 2024, Camp NYC, Inc. paid down \$1.0 million of the principal amount of its loan outstanding.



**Recently adopted accounting pronouncement**

In June 2022, the FASB issued Accounting Standards Update No. 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, or ASU 2022-03. ASU 2022-03 clarifies the guidance when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of the security. The amendments in ASU 2022-03 were effective for public companies for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. The adoption of ASU 2022-03 did not have a material impact on our consolidated financial statements.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are subject to financial market risks, including changes in interest rates. During the periods covered by our financial statements, the interest rates on the debt investments within our portfolio were primarily at floating rates. We expect that our debt investments in the future will primarily have floating interest rates. As of March 31, 2024 and December 31, 2023, 94% of the outstanding principal amount of our debt investments bore interest at floating rates. Contractual interest rates on our commitments to lend to our portfolio companies are typically based on the Prime Rate as published in the Wall Street Journal.

Based on our March 31, 2024 consolidated statement of assets and liabilities (without adjustment for potential changes in the credit market, credit quality, size and composition of assets on the consolidated statement of assets and liabilities or other business developments that could affect net income) and the base index rates at March 31, 2024, the following table shows the annual impact on the change in net assets resulting from operations of changes in interest rates, which assumes no changes in our investments and borrowings:

Change in basis points	Investment Income	Interest Expense	Change in Net Assets(1)
	(In thousands)		
Up 300 basis points	\$ 17,120	\$ 1,825	\$ 15,295
Up 200 basis points	\$ 11,408	\$ 1,217	\$ 10,191
Up 100 basis points	\$ 5,724	\$ 608	\$ 5,116
Down 300 basis points	\$ (11,595)	\$ (1,825)	\$ (9,770)
Down 200 basis points	\$ (8,300)	\$ (1,217)	\$ (7,083)
Down 100 basis points	\$ (4,205)	\$ (608)	\$ (3,597)

(1) Excludes the impact of incentive fees based on Pre-Incentive Fee Net Investment Income.

While our 2027 Notes, our 2026 Notes, and our 2022 Asset-Backed Notes bear interest at a fixed rate, our Credit Facilities have a floating interest rate provision. The Key Facility is subject to an interest rate floor of 0.25% per annum, based on a prime rate index which resets monthly, and the interest payable on the NYL Facility is based on the Three Year I Curve rate plus a margin of 3.50% with an interest rate floor and resets on any advance date. Any other credit facilities into which we enter in the future may have floating interest rate provisions. We have used hedging instruments in the past to protect us against interest rate fluctuations, and we may use them in the future. Such instruments may include caps, swaps, futures, options and forward contracts. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to the investments in our portfolio with fixed interest rates. Engaging in commodity interest transactions such as swap transactions or futures contracts on our behalf may cause our Advisor to fall within the definition of “commodity pool operator” under the Commodity Exchange Act (the “CEA”), and related Commodity Futures Trading Commission (the “CFTC”), regulations. On January 31, 2020, our Advisor claimed an exclusion from the definition of the term “commodity pool operator” under the CEA and the CFTC regulations in connection with its management of us and, therefore, is not subject to CFTC registration or regulation under the CEA as a commodity pool operator with respect to its management of us.

Because we currently fund, and expect to continue to fund, our investments with borrowings, our net income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net income. In periods of rising interest rates, our cost of funds could increase, which would reduce our net investment income.

### ***Inflation and Supply Chain Risk***

Economic activity has continued to accelerate across sectors and regions. Nevertheless, due to global supply chain issues, geopolitical events, a rise in energy prices and strong consumer demand as economies continue to reopen, inflation is showing signs of acceleration in the U.S. and globally. Inflation is likely to continue in the near to medium-term, particularly in the U.S., with the possibility that monetary policy may tighten in response. Persistent inflationary pressures could affect our portfolio companies' profit margins.

## **Item 4. Controls and Procedures**

### ***(a) Evaluation of disclosure controls and procedures***

As of March 31, 2024, we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

### ***(b) Changes in internal controls over financial reporting.***

There have been no material changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recently completed fiscal quarter, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II**

### **Item 1: Legal Proceedings.**

We are not currently subject to any material legal proceedings, nor, to our knowledge, are any material legal proceeding threatened against us. From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. While the outcome of any such future legal or regulatory proceedings cannot be predicted with certainty, we do not expect that any such future proceedings will have a material effect upon our financial condition or results of operations.

### **Item 1A: Risk Factors.**

In addition to other information set forth in this quarterly report on Form 10-Q, you should carefully consider the factors set forth in "Item 1A Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2023, which could materially affect our business, financial condition and/or operating results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially affect our business, financial condition and/or operating results. There have been no material changes during the three months ended March 31, 2024 to the risk factors set forth in "Item 1A. Risk Factors" of our annual report on Form 10-K for the year ended December 31, 2023.

**Item 2: Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3: Defaults Upon Senior Securities**

None.

**Item 4: Mine Safety Disclosures**

Not applicable

**Item 5: Other Information**

**Rule 10b5-1 Trading Plans**

During the fiscal quarter ended December 31, 2023, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement”.

**Item 6: Exhibits**

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
31.1*	<a href="#">Certifications by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended</a>
31.2*	<a href="#">Certifications by Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended</a>
32.1*	<a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended</a>
32.2*	<a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended</a>
101.INS	Inline XBRL Instance Document (the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

HORIZON TECHNOLOGY FINANCE CORPORATION

Date: April 30, 2024

By: /s/ Robert D. Pomeroy, Jr.  
Name: Robert D. Pomeroy, Jr.  
Title: Chief Executive Officer and Chairman of the Board

Date: April 30, 2024

By: /s/ Daniel R. Trolio  
Name: Daniel R. Trolio  
Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO EXCHANGE ACT  
RULES 13a-14 AND 15d-14, AS ADOPTED PURSUANT  
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

**CHIEF EXECUTIVE OFFICER CERTIFICATION**

I, Robert D. Pomeroy, Jr., as Chief Executive Officer and Chairman of the Board of Horizon Technology Finance Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Horizon Technology Finance Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2024

By: /s/ Robert D. Pomeroy, Jr.  
**Chief Executive Officer and  
Chairman of the Board**

**CERTIFICATION PURSUANT TO EXCHANGE ACT  
RULES 13a-14 AND 15d-14, AS ADOPTED PURSUANT  
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

**CHIEF FINANCIAL OFFICER CERTIFICATION**

I, Daniel R. Trolio, as Chief Financial Officer of Horizon Technology Finance Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Horizon Technology Finance Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2024

By: /s/ Daniel R. Trolio

**Daniel R. Trolio**  
**Chief Financial Officer**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**  
**Pursuant to**  
**Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)**

In connection with the Quarterly Report on Form 10-Q of Horizon Technology Finance Corporation (the "Company") for the quarterly period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert D. Pomeroy, Jr., as Chief Executive Officer and Chairman of the Board, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002, as amended, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert D. Pomeroy, Jr.

Name: **Robert D. Pomeroy, Jr.**

Title: **Chief Executive Officer and Chairman of the Board**

Date: April 30, 2024

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**  
**Pursuant to**  
**Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)**

In connection with the Quarterly Report on Form 10-Q of Horizon Technology Finance Corporation (the "Company") for the quarterly period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel R. Trolio, as Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002, as amended, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Daniel R. Trolio

\_\_\_\_\_  
Name: **Daniel R. Trolio**  
Title: **Chief Financial Officer**

Date: April 30, 2024