

Registrant's telephone number, including area code (860) 676-8654

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company
(Do not check if a smaller reporting company)

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

As of May 5, 2015, the Registrant had 11,631,494 shares of common stock, \$0.001 par value, outstanding.

HORIZON TECHNOLOGY FINANCE CORPORATION

FORM 10-Q

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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 (Unaudited)****(In thousands, except share and per share data)**

	March 31, 2015	December 31, 2014
Assets		
Non-affiliate investments at fair value (cost of \$207,905 and \$209,838, respectively) (Note 4)	\$ 204,300	\$ 205,101
Investment in money market funds	399	27
Cash	29,828	8,417
Restricted investments in money market funds	2,351	2,906
Interest receivable	5,057	4,758
Other assets	3,497	3,987
Total assets	\$ 245,432	\$ 225,196
Liabilities		
Borrowings (Note 6)	\$ 74,342	\$ 81,753
Distribution payable	3,783	3,322
Base management fee payable (Note 3)	354	356
Incentive fee payable (Note 3)	736	799
Other accrued expenses	1,204	718
Total liabilities	80,419	86,948
Commitments and Contingencies (Notes 7 and 8)		
Net assets		
Preferred stock, par value \$0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of March 31, 2015 and December 31, 2014	—	—
Common stock, par value \$0.001 per share, 100,000,000 shares authorized, 11,630,617 and 9,628,124 shares outstanding as of March 31, 2015 and December 31, 2014, respectively	12	10
Paid-in capital in excess of par	180,970	155,240

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Distributions in excess of net investment income	(1,049)	(1,102)
Net unrealized depreciation on investments	(3,605)	(4,737)
Net realized loss on investments	(11,315)	(11,163)
Total net assets	165,013	138,248
Total liabilities and net assets	\$ 245,432	\$ 225,196
Net asset value per common share	\$ 14.19	\$ 14.36

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Statements of Operations (Unaudited)****(In thousands, except share and per share data)**

	For the Three Months Ended March 31,	
	2015	2014
Investment income		
Interest income on non-affiliate investments	\$ 6,562	\$ 7,180
Prepayment fee income on non-affiliate investments	520	—
Fee income on non-affiliate investments	184	354
Total investment income	7,266	7,534
Expenses		
Interest expense	1,587	2,070
Base management fee (Note 3)	1,031	1,312
Performance based incentive fee (Note 3)	736	513
Administrative fee (Note 3)	268	244
Professional fees	431	835
General and administrative	260	250
Total expenses	4,313	5,224
Management and performance based incentive fees waived (Note 3)	—	(214)
Net expenses	4,313	5,010
Net investment income before excise tax	2,953	2,524
Provision for excise tax	(10)	(40)
Net investment income	2,943	2,484
Net realized and unrealized (loss) gain on investments		
Net realized loss on investments	(230)	(5,884)
Net unrealized appreciation on investments	1,132	8,530
Net realized and unrealized gain on investments	902	2,646
Net increase in net assets resulting from operations	\$ 3,845	\$ 5,130
Net investment income per common share	\$ 0.30	\$ 0.26
Net increase in net assets per common share	\$ 0.39	\$ 0.53
Distributions declared per share	\$ 0.345	\$ 0.345
Weighted average shares outstanding	9,807,198	9,613,829

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Statements of Changes in Net Assets (Unaudited)****(In thousands, except share data)**

	Common Stock		Paid-In Capital in Excess of Par	Accumulated Undistributed (distributions in excess of) Net Investment Income	Net Unrealized (Depreciation Appreciation on Investments	Net Realized Gain (Loss) on Investments	Total Net Assets
Balance at December 31, 2013	9,608,949	\$ 10	\$ 154,975	\$ 1,463	\$ (13,026)	\$ (7,587)	\$ 135,835
Net increase in net assets resulting from operations	—	—	—	2,484	8,530	(5,884)	5,130
Issuance of common stock under dividend reinvestment plan	9,741	—	133	—	—	—	133
Distributions declared	—	—	—	(3,318)	—	—	(3,318)
Balance at March 31, 2014	9,618,690	\$ 10	\$ 155,108	\$ 629	\$ (4,496)	\$ (13,471)	\$ 137,780
Balance at December 31, 2014	9,628,124	\$ 10	\$ 155,240	\$ (1,102)	\$ (4,737)	\$ (11,163)	\$ 138,248
Issuance of common stock, net of offering costs	2,000,000	2	26,667	—	—	—	26,669
Net increase in net assets resulting from operations	—	—	—	2,943	1,132	(230)	3,845
Issuance of common stock under dividend reinvestment plan	2,493	—	34	—	—	—	34
Distributions declared	—	—	—	(3,783)	—	—	(3,783)
Reclassification of permanent tax differences (Note 2)	—	—	(971)	893	—	78	—
Balance at March 31, 2015	11,630,617	\$ 12	\$ 180,970	\$ (1,049)	\$ (3,605)	\$ (11,315)	\$ 165,013

See Notes to Consolidated Financial Statements

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

	For the Three Months Ended March 31,	
	2015	2014
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$ 3,845	\$ 5,130
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Amortization of debt issuance costs	278	492
Net realized loss on investments	230	6,913
Net unrealized appreciation on investments	(1,132)	(8,530)
Purchase of investments	(23,933)	(17,926)
Principal payments received on investments	25,790	11,773
Proceeds from sale of investments	—	720
Changes in assets and liabilities:		
Net increase in investments in money market funds	(372)	(913)
Net decrease in restricted investments in money market funds	555	221
Decrease (increase) in interest receivable	71	(597)
Increase in end-of-term payments	(370)	(552)
Decrease in unearned income	(154)	(226)
Decrease (increase) in other assets	212	(1,129)
Increase (decrease) in other accrued expenses	486	(50)
Decrease in base management fee payable	(2)	(109)
Decrease in incentive fee payable	(63)	(446)
Net cash provided by (used in) operating activities	5,441	(5,229)
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of offering costs	26,667	—
Repayment of Asset-Backed Notes	(7,411)	(2,938)
Distributions paid	(3,286)	(3,181)
Net cash provided by (used in) financing activities	15,970	(6,119)
Net increase (decrease) in cash	21,411	(11,348)
Cash:		
Beginning of period	8,417	25,341
End of period	\$ 29,828	\$ 13,993
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,032	\$ 1,582
Supplemental non-cash investing and financing activities:		
Warrant investments received and recorded as unearned income	\$ 156	\$ 106
Distribution payable	\$ 3,783	\$ 3,318

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End-of-term payments receivable	\$ 4,155	\$ 3,730
Net assets received in settlement of debt investment	\$ —	\$ 985

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries

Consolidated Schedule of Investments (Unaudited)

March 31, 2015

(In thousands)

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount	Cost of Investments (6)	Fair Value
Debt Investments — 119.8% (9)					
Debt Investments — Life Science — 28.7% (9)					
Argos Therapeutics, Inc. (2)(5)	Biotechnology	Term Loan (9.25% cash (Libor + 8.75%; Floor 9.25%; Ceiling 10.75%), 5.00% ETP, Due 10/1/18)	\$ 5,000	\$ 4,878	\$4,878
New Haven Pharmaceuticals, Inc. (2)	Biotechnology	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 6.50% ETP, Due 11/1/17)	1,301	1,293	1,293
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 6.50% ETP, Due 11/1/17)	434	431	431
		Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 4.00% ETP, Due 7/1/18)	2,000	1,969	1,969
Palatin Technologies, Inc. (2)(5)	Biotechnology	Term Loan (9.00% cash (Libor + 8.50%; Floor 9.00%), 5.00% ETP, Due 1/1/19)	5,000	4,924	4,924
Sample6, Inc. (2)	Biotechnology	Term Loan (9.50% cash (Libor + 9.00%; Floor 9.50%; Ceiling 11.00%), 4.00% ETP, Due 4/1/18)	1,555	1,549	1,549
		Term Loan (9.50% cash (Libor + 9.00%; Floor 9.50%; Ceiling 11.00%), 4.00% ETP, Due 4/1/18)	945	926	926
		Term Loan (9.50% cash (Libor + 9.00%; Floor 9.50%; Ceiling 11.00%), 4.00% ETP, Due 4/1/18)	2,500	2,487	2,487

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Sunesis Pharmaceuticals, Inc. (2)(5)	Biotechnology	Term Loan (8.95% cash, 4.65% ETP, Due 10/1/16)	545	543	543
		Term Loan (9.00% cash, 4.65% ETP, Due 10/1/16)	818	810	810
Xcovery Holding Company, LLC (2)	Biotechnology	Term Loan (12.50% cash, Due 8/1/15)	211	210	210
		Term Loan (12.50% cash, Due 8/1/15)	266	266	266
		Term Loan (12.50% cash, Due 10/1/15)	79	79	79
Accuvein, Inc. (2)	Medical Device	Term Loan (10.40% cash (Libor + 9.90%; Floor 10.40%; Ceiling 11.90%), 5.00% ETP, Due 2/1/18)	4,000	3,959	3,959
		Term Loan (10.00% cash (Libor + 9.50%; Floor 10.00%; Ceiling 12.50%), 4.00% ETP, Due 7/1/18)	1,000	982	982
IntegenX Inc. (2)	Medical Device	Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%; Ceiling 12.75%), 3.50% ETP, Due 7/1/18)	3,750	3,689	3,689
Lantos Technologies, Inc. (2)	Medical Device	Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%; Ceiling 12.00%), 3.00% ETP, Due 2/1/18)	3,500	3,453	3,453
Mederi Therapeutics, Inc. (2)	Medical Device	Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%; Ceiling 12.75%), 4.00% ETP, Due 7/1/17)	3,000	2,972	2,972
		Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%; Ceiling 12.75%), 4.00% ETP, Due 7/1/17)	3,000	2,972	2,972
NinePoint Medical, Inc. (2)	Medical Device	Term Loan (9.25% cash (Libor + 8.75%; Floor 9.25%), 4.50% ETP, Due 3/1/19)	5,000	4,918	4,918
Tryton Medical, Inc. (2)	Medical Device	Term Loan (10.41% cash (Prime + 7.16%), 2.50% ETP, Due 9/1/16)	2,625	2,605	2,605
ZetrOZ, Inc. (2)	Medical Device	Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 3.00% ETP, Due 4/1/18)	1,500	1,429	1,429
Total Debt Investments — Life Science Debt Investments — Technology — 69.1% (9)				47,344	47,344
Ekahau, Inc. (2)	Communications	Term Loan (11.75% cash, 2.50% ETP, Due 2/1/17)	1,142	1,132	1,132
			381	377	377

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		Term Loan (11.75% cash, 2.50% ETP, Due 2/1/17)			
mBlox, Inc. (2)	Communications	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.00%), 2.5% ETP, Due 7/1/18)	5,000	4,970	4,970
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.00%), 2.5% ETP, Due 7/1/18)	5,000	4,970	4,970
Overture Networks, Inc. (2)	Communications	Term Loan (10.75% cash, (Libor + 10.25%; Floor 10.75%), 5.75% ETP, Due 12/1/17)	4,104	4,073	4,073
		Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%), 5.75% ETP, Due 12/1/17)	2,052	2,039	2,039
Additech, Inc. (2)	Consumer-related Technologies	Term Loan (11.75% cash (Libor + 11.25%; Floor 11.75%; Ceiling 13.25%), 4.00% ETP, Due 7/1/18)	2,500	2,420	2,420
Gwynnie Bee, Inc. (2)	Consumer-related Technologies	Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 2.0% ETP, Due 11/1/17)	2,000	1,968	1,968
		Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 2.0% ETP, Due 2/1/18)	1,000	976	976
		Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 2.0% ETP, Due 4/1/18)	1,000	982	982
Nanocomp Technologies, Inc. (2)	Networking	Term Loan (11.50% cash, 3.00% ETP, Due 11/1/17)	948	932	932
Avalanche Technology, Inc. (2)	Semiconductors	Term Loan (10.00% cash (Libor + 9.25%; Floor 10.00%; Ceiling 11.75%), 2.40% ETP, Due 4/1/17)	1,983	1,975	1,975

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Schedule of Investments (Unaudited)****March 31, 2015****(In thousands)**

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount	Cost of Investments (6)	Fair Value
		Term Loan (10.00% cash (Libor + 9.25%; Floor 10.00%; Ceiling 11.75%) ,2.40% ETP, Due 10/1/18)	2,246	2,238	2,238
		Term Loan (10.00% cash (Libor + 9.25%; Floor 10.00%; Ceiling 11.75%), 2.00% ETP, Due 2/1/19)	2,500	2,444	2,444
eASIC Corporation (2)	Semiconductors	Term Loan (11.00% cash, 2.50% ETP, Due 10/1/17)	2,000	1,984	1,984
		Term Loan (10.75% cash, 2.50% ETP, Due 4/1/18)	2,000	1,985	1,985
InVisage Technologies, Inc. (2)	Semiconductors	Term Loan (12.00% cash (Libor + 11.50%; Floor 12.00%; Ceiling 14.00%), 2.0% ETP, Due 4/1/18)	2,550	2,483	2,483
		Term Loan (12.00% cash (Libor + 11.50%; Floor 12.00%; Ceiling 14.00%), 2.0% ETP, Due 10/1/18)	850	837	837
Luxtera, Inc. (2)	Semiconductors	Term Loan (10.25% cash (Libor + 9.75%; Floor 10.25%; Ceiling 12.25%), 13.00% ETP, Due 7/1/17)	2,475	2,442	2,442
		Term Loan (10.25% cash (Libor + 9.75%; Floor 10.25%; Ceiling 12.25%), 13.00% ETP, Due 7/1/17)	1,381	1,376	1,376
		Term Loan (9.00% cash (Libor + 8.50%; Floor 9.00%), 4.50% ETP, Due 12/1/18)	833	820	820
NexPlanar Corporation (2)	Semiconductors	Term Loan (10.50% cash, 2.50% ETP, Due 12/1/16)	2,086	2,073	2,073

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		Term Loan (10.50% cash, 2.50% ETP, Due 12/1/16)	1,390	1,379	1,379
Xtera Communications, Inc. (2)	Semiconductors	Term Loan (11.50% cash, 15.65% ETP, Due 12/31/16)	5,655	5,544	5,544
		Term Loan (11.50% cash, 21.75% ETP, Due 12/31/16)	1,571	1,538	1,538
Crowdstar, Inc. (2)	Software	Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%), 3.00% ETP, Due 9/1/18)	2,000	1,958	1,958
Decisyon, Inc. (2)	Software	Term Loan (11.65% cash, 5.00% ETP, Due 9/1/16)	2,538	2,523	2,523
		Term Loan (11.65% cash, 5.00% ETP, Due 11/1/17)	1,000	988	988
Education Elements, Inc. (2)	Software	Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 4.00% ETP, Due 1/1/19)	2,000	1,959	1,959
Lotame Solutions, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 5.25% ETP, Due 9/1/17)	3,410	3,392	3,392
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 5.25% ETP, Due 9/1/17)	1,500	1,492	1,492
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 3.00% ETP, Due 4/1/18)	2,100	2,072	2,072
Netuitive, Inc. (2)	Software	Term Loan (12.75% cash, Due 7/1/16)	1,590	1,582	1,582
Raydiance, Inc. (2)	Software	Term Loan (11.50% cash, 2.75% ETP, Due 9/1/16)	3,008	2,992	2,992
		Term Loan (11.50% cash, 2.75% ETP, Due 9/1/16)	602	594	594
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.50%), 2.75% ETP, Due 2/1/18)	3,000	2,959	2,959
Razorsight Corporation (2)	Software	Term Loan (11.75% cash, 3.00% ETP, Due 11/1/16)	1,000	993	993
		Term Loan (11.75% cash, 3.00% ETP, Due 8/1/16)	854	847	847
		Term Loan (11.75% cash, 3.00% ETP, Due 7/1/17)	913	903	903
ScoreBig, Inc. (2)	Software	Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 4.00% ETP, Due 4/1/19)	3,500	3,438	3,438
		Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 4.00% ETP, Due 4/1/19)	3,500	3,438	3,438
SIGNiX, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), Due 7/1/18)	3,000	2,907	2,907
Social Intelligence Corp. (2)	Software	Term Loan (11.00% cash (Libor + 10.50%; Floor	1,500	1,479	1,479

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SpringCM, Inc. (2)	Software	11.00%; Ceiling 13.00%), 3.50% ETP, Due 12/1/17) Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.00%), 2.00% ETP, Due 1/1/18)	4,500	4,432	4,432
Sys-Tech Solutions, Inc. (2)	Software	Term Loan (11.65% cash (Libor + 11.15%; Floor 11.65%; Ceiling 12.65%), 4.50% ETP, Due 3/1/18)	6,000	5,957	5,957
		Term Loan (11.65% cash (Libor + 11.15%; Floor 11.65%; Ceiling 12.65%), 9.00% ETP, Due 5/1/18)	5,000	4,956	4,956
VBrick Systems, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.50%), 5.00% ETP, Due 7/1/17)	2,800	2,781	2,781
Vidsys, Inc. (2)	Software	Term Loan (13.00% cash, 7.58% ETP, Due 7/1/15)	3,000	2,998	2,998
Visage Mobile, Inc. (2)	Software	Term Loan (12.00% cash, 3.50% ETP, Due 9/1/16)	556	552	552
xTech Holdings, Inc. (2)	Software	Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%), 3.00% ETP, Due 4/1/19	2,000	1,950	1,950
Total Debt Investments — Technology				114,099	114,099

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Schedule of Investments (Unaudited)****March 31, 2015****(In thousands)**

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount	Cost of Investments (6)	Fair Value
Debt Investments — Cleantech — 6.7% (9)					
Renmatix, Inc. (2)	Alternative Energy	Term Loan (10.25% cash, 3.00% ETP, Due 2/1/16)	913	911	911
		Term Loan (10.25% cash, 3.00% ETP, Due 2/1/16)	913	911	911
		Term Loan (10.25% cash, Due 10/1/16)	3,049	3,035	3,035
Semprius, Inc. (2)(8)	Alternative Energy	Term Loan (10.25% cash, 5.00% ETP, Due 6/1/16)	2,069	2,049	2,049
Aurora Algae, Inc. (2)	Consumer-related Technologies	Term Loan (10.50% cash, 2.00% ETP, Due 5/1/15)	161	161	161
Rypos, Inc. (2)	Energy Efficiency	Term Loan (11.80% cash, Due 1/1/17)	2,550	2,529	2,529
		Term Loan (11.80% cash, Due 9/1/17)	1,000	988	988
Tigo Energy, Inc. (2)	Energy Efficiency	Term Loan (13.00% cash, 3.16% ETP, Due 6/1/15)	399	399	399
Total Debt Investments — Cleantech				10,983	10,983
Debt Investments — Healthcare information and services — 15.3% (9)					
Interleukin Genetics, Inc. (2)(5)	Diagnosics	Term Loan (9.00% cash (Libor + 8.50%; Floor 9.00%) 4.50% ETP, Due 10/1/18)	5,000	4,848	4,848
LifePrint Group, Inc. (2)	Diagnosics	Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 3.00% ETP, Due 1/1/18)	3,000	2,954	2,788
Watermark Medical, Inc. (2)	Other Healthcare	Term Loan (10.00% cash (Libor + 9.50%; Floor 10.00%;	3,500	3,492	3,492

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		Ceiling 11.00%); 4.00% ETP, Due 4/1/18)			
		Term Loan (10.00% cash (Libor + 9.50%; Floor 10.00%; Ceiling 11.00%); 4.00% ETP, Due 4/1/18)	3,500	3,492	3,492
		Term Loan (10.00% cash (Libor + 9.50%; Floor 10.00%; Ceiling 11.00%); 4.00% ETP, Due 4/1/18)	1,250	1,247	1,247
Recondo Technology, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 6.60% ETP, Due 12/1/17)	1,384	1,379	1,379
		Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%), 4.50% ETP, Due 12/1/17)	2,500	2,491	2,491
		Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 2.75% ETP, Due 12/1/17)	2,500	2,491	2,491
		Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 2.50% ETP, Due 1/1/19)	3,000	2,956	2,956
Total Debt Investments — Healthcare information and services				25,350	25,184
Total Debt Investments				197,776	197,610
Warrant Investments — 3.1% (9) Warrants — Life Science — 0.7% (9)					
ACT Biotech Corporation	Biotechnology	1,521,820 Preferred Stock Warrants	—	83	—
Argos Therapeutics, Inc. (2)(5)	Biotechnology	16,556 Common Stock Warrants	—	33	20
Celsion Corporation (5)	Biotechnology	5,708 Common Stock Warrants	—	15	—
Inotek Pharmaceuticals Corporation (5)	Biotechnology	33,762 Preferred Stock Warrants	—	17	23
New Haven Pharmaceuticals, Inc. (2)	Biotechnology	55,347 Preferred Stock Warrants	—	42	134
Nivalis Therapeutics, Inc., fka N30	Biotechnology	53,550 Common Stock Warrants	—	122	—
Pharmaceuticals, Inc. Palatin Technologies, Inc. (2)(5)	Biotechnology	333,333 Common Stock Warrants	—	31	103
Revanche Therapeutics, Inc. (5)	Biotechnology	34,377 Common Stock Warrants	—	68	226
Sample6, Inc. (2)	Biotechnology	351,018 Preferred Stock Warrants	—	45	38
Sunesis Pharmaceuticals, Inc. (5)	Biotechnology	12,302 Common Stock Warrants	—	6	6
Supernus Pharmaceuticals,	Biotechnology	42,083 Preferred Stock Warrants	—	93	322

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Inc. (2)(5)					
Tranzyme, Inc. (2)(5)	Biotechnology	6,460	Common Stock Warrants	—	6
Accuvein, Inc. (2)	Medical Device	75,769	Preferred Stock Warrants	—	24
Direct Flow Medical, Inc.	Medical Device	176,922	Preferred Stock Warrants	—	144
EnteroMedics, Inc. (5)	Medical Device	141,026	Common Stock Warrants	—	347
IntegenX, Inc. (2)	Medical Device	158,006	Preferred Stock Warrants	—	33
Lantos Technologies, Inc. (2)	Medical Device	858,545	Preferred Stock Warrants	—	24
Mederi Therapeutics, Inc. (2)	Medical Device	248,736	Preferred Stock Warrants	—	26
Mitralign, Inc. (2)	Medical Device	641,909	Preferred Stock Warrants	—	52
NinePoint Medical, Inc. (2)	Medical Device	410,959	Preferred Stock Warrants	—	34
OraMetrix, Inc. (2)	Medical Device	812,348	Preferred Stock Warrants	—	78
Tryton Medical, Inc. (2)	Medical Device	122,362	Preferred Stock Warrants	—	15
ViOptix, Inc.	Medical Device	375,763	Preferred Stock Warrants	—	13
ZetrOZ, Inc. (2)	Medical Device	475,561	Preferred Stock Warrants	—	25
Total Warrants — Life Science					1,376
Warrants — Technology — 1.9% (9)					1,139
Ekahau, Inc. (2)	Communications	978,261	Preferred Stock Warrants	—	33
OpenPeak, Inc.	Communications	18,997	Common Stock Warrants	—	89
Overture Networks, Inc.	Communications	385,617	Preferred Stock Warrants	—	55

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Schedule of Investments (Unaudited)****March 31, 2015****(In thousands)**

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount (6)	Cost of Investments (6)	Fair Value
Additech, Inc. (2)	Consumer-related Technologies	150,000 Preferred Stock Warrants	—	33	33
Everyday Health, Inc. (5)	Consumer-related Technologies	43,783 Common Stock Warrants	—	69	110
Gwynnie Bee, Inc. (2)	Consumer-related Technologies	268,591 Preferred Stock Warrants	—	68	436
SnagAJob.com, Inc.	Consumer-related Technologies	365,396 Preferred Stock Warrants	—	23	303
Tagged, Inc.	Consumer-related Technologies	190,868 Preferred Stock Warrants	—	26	63
XIOtech, Inc.	Data Storage	2,217,979 Preferred Stock Warrants	—	23	18
Cartera Commerce, Inc.	Internet and media	90,909 Preferred Stock Warrants	—	16	160
SimpleTuition, Inc.	Internet and media	189,573 Preferred Stock Warrants	—	63	27
IntelPeer, Inc.	Networking	141,549 Preferred Stock Warrants	—	39	4
Nanocomp Technologies, Inc. (2)	Networking	272,728 Preferred Stock Warrants	—	25	23
Aquion Energy, Inc.	Power Management	115,051 Preferred Stock Warrants	—	7	55
Avalanche Technology, Inc. (2)	Semiconductors	352,828 Preferred Stock Warrants	—	101	84
eASIC Corporation (2)	Semiconductors	40,445 Preferred Stock Warrants	—	25	26
InVisage Technologies, Inc. (2)	Semiconductors	185,790 Preferred Stock Warrants	—	47	45
Kaminario, Inc.	Semiconductors	1,087,203 Preferred Stock Warrants	—	59	62
Luxtera, Inc.(2)	Semiconductors	2,304,667 Preferred Stock Warrants	—	47	108
NexPlanar Corporation	Semiconductors	216,001 Preferred Stock Warrants	—	36	55
Soraa, Inc. (2)	Semiconductors	180,000 Preferred Stock Warrants	—	80	77
Xtera Communications, Inc.	Semiconductors	983,607 Preferred Stock Warrants	—	206	—
Bolt Solutions, Inc. (2)	Software	202,892 Preferred Stock Warrants	—	113	113
Clarabridge, Inc.	Software	53,486 Preferred Stock Warrants	—	14	104
Crowdstar, Inc. (2)	Software	75,428 Preferred Stock Warrants	—	14	14
Decisyon, Inc. (2)	Software	457,876 Preferred Stock Warrants	—	46	27
DriveCam, Inc.	Software	71,639 Preferred Stock Warrants	—	20	120

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Education Elements, Inc. (2)	Software	136,070 Preferred Stock Warrants	—	16	16
Lotame Solutions, Inc. (2)	Software	288,115 Preferred Stock Warrants	—	23	258
Netuitive, Inc.	Software	41,569 Preferred Stock Warrants	—	48	—
Raydiance, Inc. (2)	Software	1,051,120 Preferred Stock Warrants	—	71	65
Razorsight Corporation (2)	Software	259,404 Preferred Stock Warrants	—	43	44
Riv Data Corp. (2)	Software	237,361 Preferred Stock Warrants	—	13	12
ScoreBig, Inc. (2)	Software	481,198 Preferred Stock Warrants	—	55	55
SIGNiX, Inc. (2)	Software	63,365 Preferred Stock Warrants	—	48	47
SpringCM, Inc. (2)	Software	2,385,686 Preferred Stock Warrants	—	55	52
Sys-Tech Solutions, Inc.	Software	375,000 Preferred Stock Warrants	—	242	510
Vidsys, Inc.	Software	37,346 Preferred Stock Warrants	—	23	—
Visage Mobile, Inc.	Software	1,692,047 Preferred Stock Warrants	—	19	12
xTech Holdings, Inc. (2)	Software	111,111 Preferred Stock Warrants	—	29	29
Total Warrants — Technology				2,062	3,186
Warrants — Cleantech — 0.1% (9)					
Renmatix, Inc.	Alternative Energy	52,296 Preferred Stock Warrants	—	68	65
Semprius, Inc.	Alternative Energy	519,981 Preferred Stock Warrants	—	25	—
Rypos, Inc. (2)	Energy Efficiency	5,627 Preferred Stock Warrants	—	44	36
Tigo Energy, Inc. (2)	Energy Efficiency	804,604 Preferred Stock Warrants	—	99	111
Total Warrants — Cleantech				236	212
Warrants — Healthcare information and services — 0.4% (9)					
Accumetrics, Inc.	Diagnostics	100,928 Preferred Stock Warrants	—	106	63
Candescent Health, Inc., fka Radisphere National Radiology Group, Inc (2)	Diagnostics	519,992 Preferred Stock Warrants	—	378	—
BioScale, Inc. (2)	Diagnostics	315,618 Preferred Stock Warrants	—	55	—
Helomics Corporation	Diagnostics	13,461 Preferred Stock Warrants	—	73	—
Interleukin Genetics, Inc. (2)(5)	Diagnostics	2,492,523 Common Stock Warrants	—	112	112
LifePrint Group, Inc. (2)	Diagnostics	49,000 Preferred Stock Warrants	—	29	27
Singulex, Inc.	Other Healthcare	293,632 Preferred Stock Warrants	—	44	141
Talyst, Inc.	Other Healthcare	300,360 Preferred Stock Warrants	—	100	35
Watermark Medical, Inc. (2)	Other Healthcare	27,373 Preferred Stock Warrants	—	74	61
Recondo Technology, Inc. (2)	Software	556,796 Preferred Stock Warrants	—	95	208
Total Warrants — Healthcare information and services				1,066	647
Total Warrants				4,740	5,184
Other Investments — 0.2% (9)					
Vette Technology, LLC	Data Storage	Royalty Agreement Due 4/18/2019	—	4,512	300
Total Other Investments				4,512	300
Equity — 0.7% (9)					
Insmmed Incorporated (5)	Biotechnology	33,208 Common Stock	—	239	691

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Schedule of Investments (Unaudited)****March 31, 2015****(In thousands)**

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount (6)	Cost of Investments (6)	Fair Value
Revance Therapeutics, Inc.(5)	Biotechnology	4,861 Common Stock	—	73	101
Sunesis Pharmaceuticals, Inc. (5)	Biotechnology	78,493 Common Stock	—	83	192
Overture Networks Inc.	Communications	386,191 Common Stock	—	482	222
Total Equity				877	1,206
Total Portfolio Investment Assets — 123.8% (9)				\$ 207,905	\$ 204,300
Short Term Investments — Money Market Funds — 0.2% (9)					
US Bank Money Market Deposit Account				\$ 399	\$ 399
Total Short Term Investments — Money Market Funds				\$ 399	\$ 399
Short Term Investments — Restricted Investments— 1.4% (9)					
US Bank Money Market Deposit Account (2)				\$ 2,351	\$ 2,351
Total Short Term Investments — Restricted Investments				\$ 2,351	\$ 2,351

(1) 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.

- (2) Has been pledged as collateral under the Key Facility or the 2013-1 Securitization.
- (3) All investments are less than 5% ownership of the class and ownership of the portfolio company.
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,
- (4) commitment fees or prepayment fees. All debt investments are at fixed 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, 2015 is provided.
- (5) Portfolio company is a public company.
- (6) For debt investments, represents principal balance less unearned income.
- (7) Preferred and common stock warrants, equity interests and other investments are non-income producing.
- (8) Debt investment is on non-accrual status at March 31, 2015, and interest payments received were recognized as income on a cash basis.
- (9) Value as a percent of net assets.
The Company did not have any non-qualifying assets under Section 55(a) of the 1940 Act. Under the 1940 Act,
- (10) 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
- (11) will be recognized as non-cash income until it is actually paid. Therefore, a portion of the incentive fee will be based on income that the Company has not yet received in cash.

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Schedule of Investments (Unaudited)****December 31, 2014****(In thousands)**

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount	Cost of Investments (6)	Fair Value
Debt Investments — 144.1% (9)					
Debt Investments — Life Science — 31.4% (9)					
Argos Therapeutics, Inc. (2)(5)	Biotechnology	Term Loan (9.25% cash (Libor + 8.75%; Floor 9.25%; Ceiling 10.75%), 5.00% ETP, Due 10/1/18)	\$ 5,000	\$ 4,872	\$4,872
Inotek Pharmaceuticals Corporation (2)	Biotechnology	Term Loan (11.00% cash, 3.00% ETP, Due 10/1/16)	2,795	2,777	2,777
New Haven Pharmaceuticals, Inc. (2)	Biotechnology	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 6.50% ETP, Due 11/1/17)	1,301	1,292	1,292
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 6.50% ETP, Due 11/1/17)	434	431	431
		Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 4.00% ETP, Due 7/1/18)	2,000	1,967	1,967
Palatin Technologies, Inc. (2)(5)	Biotechnology	Term Loan (9.00% cash (Libor + 8.50%; Floor 9.00%), 5.00% ETP, Due 1/1/19)	5,000	4,919	4,919
Sample6, Inc. (2)	Biotechnology	Term Loan (9.50% cash (Libor + 9.00%; Floor 9.50%; Ceiling 11.00%), 4.00% ETP, Due 4/1/18)	1,555	1,548	1,548
		Term Loan (9.50% cash (Libor + 9.00%; Floor 9.50%; Ceiling 11.00%), 4.00% ETP, Due 4/1/18)	945	912	912
Sunesis Pharmaceuticals, Inc.	Biotechnology	Term Loan (8.95% cash, 3.75% ETP, Due 10/1/15)	677	675	675

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(2)(5)

		Term Loan (9.00% cash, 3.75% ETP, Due 10/1/15)	1,016	1,008	1,008
Xcovery Holding Company, LLC (2)	Biotechnology	Term Loan (12.50% cash, Due 8/1/15)	292	292	292
		Term Loan (12.50% cash, Due 8/1/15)	459	459	459
		Term Loan (12.50% cash, Due 10/1/15)	101	101	101
Accuvein, Inc. (2)	Medical Device	Term Loan (10.40% cash (Libor + 9.90%; Floor 10.40%; Ceiling 11.90%), 5.00% ETP, Due 2/1/18)	4,000	3,956	3,956
		Term Loan (10.00% cash (Libor + 9.50%; Floor 10.00%; Ceiling 12.50%), 4.00% ETP, Due 7/1/18)	1,000	981	981
IntegenX Inc. (2)	Medical Device	Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%; Ceiling 12.75%), 3.50% ETP, Due 7/1/18)	3,750	3,685	3,685
Lantos Technologies, Inc. (2)	Medical Device	Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%; Ceiling 12.00%), 3.00% ETP, Due 2/1/18)	3,500	3,449	3,449
Mederi Therapeutics, Inc. (2)	Medical Device	Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%; Ceiling 12.75%), 4.00% ETP, Due 7/1/17)	3,000	2,969	2,969
		Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%; Ceiling 12.75%), 4.00% ETP, Due 7/1/17)	3,000	2,969	2,969
Tryton Medical, Inc. (2)	Medical Device	Term Loan (10.41% cash (Prime + 7.16%), 2.50% ETP, Due 9/1/16)	2,813	2,789	2,789
ZetrOZ, Inc. (2)	Medical Device	Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 3.00% ETP, Due 4/1/18)	1,500	1,427	1,427
Total Debt Investments — Life Science Debt Investments — Technology — 78.9% (9)				43,478	43,478
Ekahau, Inc. (2)	Communications	Term Loan (11.75% cash, 2.50% ETP, Due 2/1/17)	1,279	1,267	1,267
		Term Loan (11.75% cash, 2.50% ETP, Due 2/1/17)	426	422	422
mBlox, Inc. (2)	Communications	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.00%), 2.5% ETP, Due 7/1/18)	5,000	4,967	4,967

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		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.00%), 2.5% ETP, Due 7/1/18)	5,000	4,967	4,967
Overture Networks, Inc. (2)	Communications	Term Loan (10.75% cash, (Libor + 10.25%; Floor 10.75%), 5.75% ETP, Due 12/1/17)	4,104	4,071	4,071
		Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%), 5.75% ETP, Due 12/1/17)	2,052	2,038	2,038
Additech, Inc. (2)	Consumer-related Technologies	Term Loan (11.75% cash (Libor + 11.25%; Floor 11.75%; Ceiling 13.25%), 4.00% ETP, Due 7/1/18)	2,500	2,417	2,417
Gwynnie Bee, Inc. (2)	Consumer-related Technologies	Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 2.0% ETP, Due 11/1/17)	2,000	1,966	1,966
		Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 2.0% ETP, Due 2/1/18)	1,000	974	974
		Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 12.50%), 2.0% ETP, Due 4/1/18)	1,000	980	980
Nanocomp Technologies, Inc. (2)	Networking	Term Loan (11.50% cash, 3.00% ETP, Due 11/1/17)	1,000	981	981

Avalanche Technology, Inc. (2)	Semiconductors	Term Loan (10.00% cash (Libor + 9.25%; Floor 10.00%;	1,983	1,972	1,972
		Ceiling 11.75%), 2.40% ETP, Due 4/1/17)			
		Term Loan (10.00% cash (Libor + 9.25%; Floor 10.00%;	2,246	2,179	2,179

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Schedule of Investments (Unaudited)****December 31, 2014****(In thousands)**

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount	Cost of Investments (6)	Fair Value
		Ceiling 11.75%), 2.40% ETP, Due 10/1/18)			
eASIC Corporation (2)	Semiconductors	Term Loan (11.00% cash, 2.50% ETP, Due 4/1/17)	2,000	1,982	1,982
		Term Loan (10.75% cash, 2.50% ETP, Due 4/1/18)	2,000	1,983	1,983
InVisage Technologies, Inc. (2)	Semiconductors	Term Loan (12.00% cash (Libor + 11.50%; Floor 12.00%; Ceiling 14.00%), 2.0% ETP, Due 4/1/18)	2,550	2,469	2,469
Kaminario, Inc. (2)	Semiconductors	Term Loan (10.50% cash, 2.50% ETP, Due 11/1/16)	2,275	2,255	2,255
		Term Loan (10.50% cash, 2.50% ETP, Due 11/1/16)	2,275	2,255	2,255
Luxtera, Inc. (2)	Semiconductors	Term Loan (10.25% cash, 13.00% ETP, Due 7/1/17)	2,632	2,590	2,590
		Term Loan (10.25% cash, 13.00% ETP, Due 7/1/17)	1,469	1,462	1,462
NexPlanar Corporation (2)	Semiconductors	Term Loan (10.50% cash, 2.50% ETP, Due 12/1/16)	2,368	2,352	2,352
		Term Loan (10.50% cash, 2.50% ETP, Due 12/1/16)	1,579	1,564	1,564
Xtera Communications, Inc. (2)	Semiconductors	Term Loan (11.50% cash, 15.65% ETP, Due 1/1/17)	5,846	5,708	5,708
		Term Loan (11.50% cash, 21.75% ETP, Due 1/1/17)	1,624	1,584	1,584
Courion Corporation (2)	Software	Term Loan (11.45% cash, Due 10/1/15)	1,279	1,277	1,277
		Term Loan (11.45% cash, Due 10/1/15)	1,279	1,277	1,277
Crowdstar, Inc. (2)	Software	Term Loan (10.75% cash (Libor + 10.25%; Floor 10.75%), 3.00% ETP, Due 9/1/18)	2,000	1,956	1,956

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Decisyon, Inc. (2)	Software	Term Loan (11.65% cash, 5.00% ETP, Due 9/1/16)	2,919	2,899	2,899
		Term Loan (11.65% cash, 5.00% ETP, Due 11/1/17)	1,000	986	986
Lotame Solutions, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 5.25% ETP, Due 9/1/17)	3,410	3,390	3,390
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 5.25% ETP, Due 9/1/17)	1,500	1,491	1,491
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 5.25% ETP, Due 9/1/17)	2,100	2,070	2,070
Netuitive, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 3.00% ETP, Due 4/1/18)	1,717	1,707	1,707
		Term Loan (12.75% cash, Due 7/1/16)	3,490	3,468	3,468
Raydiance, Inc. (2)	Software	Term Loan (11.50% cash, 2.75% ETP, Due 9/1/16)	698	688	688
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.50%), 2.75% ETP, Due 2/1/18)	3,000	2,955	2,955
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 3.00% ETP, Due 11/1/16)	1,142	1,132	1,132
Razorsight Corporation (2)	Software	Term Loan (11.75% cash, 3.00% ETP, Due 8/1/16)	1,000	990	990
		Term Loan (11.75% cash, 3.00% ETP, Due 7/1/17)	1,000	988	988
		Term Loan (11.75% cash, 3.00% ETP, Due 7/1/17)	1,000	988	988
SIGNiX, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), Due 7/1/18)	3,000	2,902	2,902
Social Intelligence Corp. (2)	Software	Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%; Ceiling 13.00%), 3.50% ETP, Due 12/1/17)	1,500	1,477	1,477
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.00%), 2.00% ETP, Due 1/1/18)	4,500	4,412	4,412
Sys-Tech Solutions, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.00%), 2.00% ETP, Due 1/1/18)	4,500	4,412	4,412
		Term Loan (11.65% cash (Libor + 11.15%; Floor 11.65%; Ceiling 12.65%), 4.50% ETP, Due 3/1/18)	6,000	5,954	5,954
		Term Loan (11.65% cash (Libor + 11.15%; Floor 11.65%; Ceiling 12.65%), 4.50% ETP, Due 3/1/18)	6,000	5,954	5,954
VBrick Systems, Inc. (2)	Software	Term Loan (11.65% cash (Libor + 11.15%; Floor 11.65%; Ceiling 12.65%), 9.00% ETP, Due 5/1/18)	5,000	4,952	4,952
		Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%; Ceiling 13.50%), 5.00% ETP, Due 7/1/17)	3,000	2,979	2,979

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Vidsys, Inc. (2)	Software	Term Loan (11.00% cash, 7.58% ETP, Due 4/1/15)	3,000	2,993	2,993
Visage Mobile, Inc. (2)	Software	Term Loan (12.00% cash, 3.50% ETP, Due 9/1/16)	645	640	640
Total Debt Investments — Technology Debt Investments — Cleantech — 9.3% (9)				108,988	108,988
Renmatix, Inc. (2)	Alternative Energy	Term Loan (10.25% cash, 3.00% ETP, Due 2/1/16)	1,148	1,145	1,145
		Term Loan (10.25% cash, 3.00% ETP, Due 2/1/16)	1,148	1,145	1,145
		Term Loan (10.25% cash, Due 10/1/16)	3,488	3,469	3,469
Semprius, Inc. (2)(8)	Alternative Energy	Term Loan (10.25% cash, 2.50% ETP, Due 6/1/16)	2,432	2,432	2,250
Aurora Algae, Inc. (2)	Consumer-related Technologies	Term Loan (10.50% cash, 2.00% ETP, Due 5/1/15)	397	396	396
Rypos, Inc. (2)	Energy Efficiency	Term Loan (11.80% cash, Due 1/1/17)	2,670	2,643	2,643
		Term Loan (11.80% cash, Due 9/1/17)	1,000	986	986
Tigo Energy, Inc. (2)	Energy Efficiency	Term Loan (13.00% cash, 3.16% ETP, Due 6/1/15)	786	785	785
Total Debt Investments — Cleantech Debt Investments — Healthcare information and services — 24.5% (9)				13,001	12,819
Interleukin Genetics, Inc. (2)(5)	Diagnosics	Term Loan (9.00% cash (Libor + 8.50%; Floor 9.00%) 4.50% ETP, Due 10/1/18)	5,000	4,837	4,837
LifePrint Group, Inc. (2)	Diagnosics	Term Loan (11.00% cash (Libor + 10.50%; Floor	3,000	2,949	2,747

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Schedule of Investments (Unaudited)****December 31, 2014****(In thousands)**

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount	Cost of Investments (6)	Fair Value
		11.00%; Ceiling 12.50%), 3.00% ETP, Due 1/1/18)			
Radisphere National Radiology Group, Inc. (2)	Diagnostics	Revolver (11.25% cash (Prime + 8.00%), Due 10/1/15)	10,092	10,053	10,053
Watermark Medical, Inc. (2)	Other Healthcare	Term Loan (12.00% cash, 4.00% ETP, Due 4/1/17)	3,500	3,473	3,473
		Term Loan (12.00% cash, 4.00% ETP, Due 4/1/17)	3,500	3,473	3,473
Recondo Technology, Inc. (2)	Software	Term Loan (11.50% cash (Libor + 11.00%; Floor 11.50%), 6.60% ETP, Due 12/1/17)	1,384	1,379	1,379
		Term Loan (11.00% cash (Libor + 10.50%; Floor 11.00%), 4.50% ETP, Due 12/1/17)	2,500	2,490	2,490
		Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 2.75% ETP, Due 12/1/17)	2,500	2,490	2,490
		Term Loan (10.50% cash (Libor + 10.00%; Floor 10.50%), 2.50% ETP, Due 1/1/19)	3,000	2,953	2,953
Total Debt Investments — Healthcare information and services				34,097	33,895
Total Debt Investments				199,564	199,180
Warrant Investments — 3.4% (9)					
Warrants — Life Science — 0.6% (9)					
ACT Biotech Corporation	Biotechnology	1,521,820 Preferred Stock Warrants	—	83	—
Argos Therapeutics, Inc. (2)(5)	Biotechnology	16,556 Common Stock Warrants	—	33	31

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Celsion Corporation (5)	Biotechnology	5,708 Common Stock Warrants	—	15	—
Inotek Pharmaceuticals Corporation	Biotechnology	33,762 Preferred Stock Warrants	—	17	15
N30 Pharmaceuticals, Inc.	Biotechnology	53,550 Common Stock Warrants	—	122	—
New Haven Pharmaceuticals, Inc. (2)	Biotechnology	55,347 Preferred Stock Warrants	—	42	136
Palatin Technologies, Inc. (2)(5)	Biotechnology	333,333 Common Stock Warrants	—	31	31
Revance Therapeutics, Inc. (5)	Biotechnology	34,377 Common Stock Warrants	—	68	120
Sample6, Inc. (2)	Biotechnology	351,018 Preferred Stock Warrants	—	45	39
Supernus Pharmaceuticals, Inc. (2)(5)	Biotechnology	42,083 Preferred Stock Warrants	—	93	165
Tranzyme, Inc. (2)(5)	Biotechnology	6,460 Common Stock Warrants	—	6	—
Accuvein, Inc. (2)	Medical Device	75,769 Preferred Stock Warrants	—	24	29
Direct Flow Medical, Inc.	Medical Device	176,922 Preferred Stock Warrants	—	144	40
EnteroMedics, Inc. (5)	Medical Device	141,026 Common Stock Warrants	—	347	—
IntegenX, Inc. (2)	Medical Device	158,006 Preferred Stock Warrants	—	33	31
Lantos Technologies, Inc. (2)	Medical Device	858,545 Preferred Stock Warrants	—	24	23
Mederi Therapeutics, Inc. (2)	Medical Device	248,736 Preferred Stock Warrants	—	26	40
Mitralign, Inc. (2)	Medical Device	641,909 Preferred Stock Warrants	—	52	37
OraMetrix, Inc. (2)	Medical Device	812,348 Preferred Stock Warrants	—	78	—
Tengion, Inc. (2)(5)	Medical Device	1,864,876 Common Stock Warrants	—	123	—
Tryton Medical, Inc. (2)	Medical Device	122,362 Preferred Stock Warrants	—	15	13
ViOptix, Inc.	Medical Device	375,763 Preferred Stock Warrants	—	13	—
ZetrOZ, Inc. (2)	Medical Device	475,561 Preferred Stock Warrants	—	25	24
Total Warrants — Life Science				1,459	774
Warrants — Technology — 2.2% (9)					
Ekahau, Inc. (2)	Communications	978,261 Preferred Stock Warrants	—	33	19
OpenPeak, Inc.	Communications	18,997 Common Stock Warrants	—	89	—
Overture Networks, Inc.	Communications	385,617 Preferred Stock Warrants	—	56	—
Additech, Inc. (2)	Consumer-related Technologies	150,000 Preferred Stock Warrants	—	33	33
Everyday Health, Inc. (5)	Consumer-related Technologies	43,783 Common Stock Warrants	—	69	179
Gwynnie Bee, Inc. (2)	Consumer-related Technologies	268,591 Preferred Stock Warrants	—	68	312
SnagAJob.com, Inc.	Consumer-related Technologies	365,396 Preferred Stock Warrants	—	23	305
Tagged, Inc.	Consumer-related Technologies	190,868 Preferred Stock Warrants	—	26	62
XIOtech, Inc.	Data Storage	2,217,979 Preferred Stock Warrants	—	22	18
Cartera Commerce, Inc.		90,909 Preferred Stock Warrants	—	16	159

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	Internet and media					
SimpleTuition, Inc.	Internet and media	189,573 Preferred Stock Warrants	—	63	29	
IntelPeer, Inc.	Networking	141,549 Preferred Stock Warrants	—	39	33	
Nanocomp Technologies, Inc. (2)	Networking	272,728 Preferred Stock Warrants	—	25	24	
Aquion Energy, Inc.	Power Management	115,051 Preferred Stock Warrants	—	7	56	
Avalanche Technology, Inc. (2)	Semiconductors	352,828 Preferred Stock Warrants	—	101	98	
eASIC Corporation (2)	Semiconductors	40,445 Preferred Stock Warrants	—	25	28	
InVisage Technologies, Inc. (2)	Semiconductors	165,147 Preferred Stock Warrants	—	43	41	
Kaminario, Inc.	Semiconductors	1,087,203 Preferred Stock Warrants	—	59	64	
Luxtera, Inc.	Semiconductors	2,087,766 Preferred Stock Warrants	—	43	105	

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries**Consolidated Schedule of Investments (Unaudited)****December 31, 2014****(In thousands)**

Portfolio Company (1)	Sector	Type of Investment (3)(4)(7)(10)(11)	Principal Amount	Cost of Investments (6)	Fair Value
NexPlanar Corporation	Semiconductors	216,001 Preferred Stock Warrants	—	36	56
Soraa, Inc. (2)	Semiconductors	180,000 Preferred Stock Warrants	—	80	77
Xtera Communications, Inc.	Semiconductors	983,607 Preferred Stock Warrants	—	206	—
Bolt Solutions, Inc. (2)	Software	202,892 Preferred Stock Warrants	—	113	118
Clarabridge, Inc.	Software	53,486 Preferred Stock Warrants	—	14	104
Courion Corporation	Software	772,543 Preferred Stock Warrants	—	107	—
Crowdstar, Inc. (2)	Software	75,428 Preferred Stock Warrants	—	14	14
Decisyon, Inc. (2)	Software	457,876 Preferred Stock Warrants	—	46	28
DriveCam, Inc.	Software	71,639 Preferred Stock Warrants	—	20	121
Lotame Solutions, Inc. (2)	Software	288,115 Preferred Stock Warrants	—	23	160
Netuitive, Inc.	Software	41,569 Preferred Stock Warrants	—	48	—
Raydiance, Inc. (2)	Software	1,051,120 Preferred Stock Warrants	—	71	67
Razorsight Corporation (2)	Software	259,404 Preferred Stock Warrants	—	43	44
SIGNiX, Inc. (2)	Software	63,365 Preferred Stock Warrants	—	48	48
Riv Data Corp. (2)	Software	237,361 Preferred Stock Warrants	—	13	12
SpringCM, Inc. (2)	Software	2,385,686 Preferred Stock Warrants	—	55	53
Sys-Tech Solutions, Inc.	Software	375,000 Preferred Stock Warrants	—	242	536
Vidsys, Inc.	Software	37,346 Preferred Stock Warrants	—	23	—
Visage Mobile, Inc.	Software	1,692,047 Preferred Stock Warrants	—	19	17
Total Warrants — Technology Warrants — Cleantech — 0.1% (9)				2,061	3,020
Renmatix, Inc.	Alternative Energy	52,296 Preferred Stock Warrants	—	67	67
Semprius, Inc.	Alternative Energy	519,981 Preferred Stock Warrants	—	25	—
Rypos, Inc. (2)	Energy Efficiency	5,627 Preferred Stock Warrants	—	44	40
Tigo Energy, Inc. (2)	Energy Efficiency	804,604 Preferred Stock Warrants	—	99	33
Total Warrants — Cleantech				235	140

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Warrants — Healthcare information and services — 0.5% (9)

Accumetrics, Inc.	Diagnostics	100,928 Preferred Stock Warrants	—	107	63
BioScale, Inc. (2)	Diagnostics	315,618 Preferred Stock Warrants	—	55	—
LifePrint Group, Inc. (2)	Diagnostics	49,000 Preferred Stock Warrants	—	29	29
Interleukin Genetics, Inc. (2)(5)	Diagnostics	2,492,523 Common Stock Warrants	—	112	112
Helomics Corporation, fka Precision Therapeutics, Inc.	Diagnostics	13,461 Preferred Stock Warrants	—	73	—
Radisphere National Radiology Group, Inc. (2)	Diagnostics	519,992 Preferred Stock Warrants	—	378	—
Singulex, Inc.	Other Healthcare	293,632 Preferred Stock Warrants	—	44	141
Talyst, Inc.	Other Healthcare	300,360 Preferred Stock Warrants	—	100	52
Watermark Medical, Inc.	Other Healthcare	12,216 Preferred Stock Warrants	—	67	62
Recondo Technology, Inc. (2)	Software	556,796 Preferred Stock Warrants	—	95	210
Total Warrants — Healthcare information and services				1,060	669
Total Warrants				4,815	4,603

Other Investments — 0.2% (9)

Vette Technology, LLC	Data Storage	Royalty Agreement Due 4/18/2019	—	4,582	300
Total Other Investments				4,582	300
Equity — 0.7% (9)					
Insmed Incorporated (5)	Biotechnology	33,208 Common Stock	—	239	514
Revance Therapeutics, Inc.(5)	Biotechnology	4,861 Common Stock	—	73	82
Sunesis Pharmaceuticals, Inc. (5)	Biotechnology	78,493 Common Stock	—	83	200
Overture Networks Inc.	Communications	386,191 Common Stock	—	482	222
Total Equity				877	1,018
Total Portfolio Investment Assets — 148.4% (9)				\$ 209,838	\$ 205,101

Short Term Investments — Money Market Funds — 0.0% (9)

US Bank Money Market Deposit Account				\$ 27	\$ 27
Total Short Term Investments — Money Market Funds				\$ 27	\$ 27

Short Term Investments — Restricted Investments— 2.1% (9)

US Bank Money Market Deposit Account (2)				\$ 2,906	\$ 2,906
				\$ 2,906	\$ 2,906

Total Short Term
Investments — Restricted
Investments

See Notes to Consolidated Financial Statements

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Horizon Technology Finance Corporation and Subsidiaries

Consolidated Schedule of Investments (Unaudited)

December 31, 2014

(In thousands)

- (1) 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.
- (2) Has been pledged as collateral under the Key Facility or 2013-1 Securitization.
- (3) All investments are less than 5% ownership of the class and ownership of the portfolio company.
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
- (4) ETP and any additional fees related to the investments, such as deferred interest, commitment fees or prepayment fees. All debt investments are at fixed 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, 2014 is provided.
- (5) Portfolio company is a public company.
- (6) For debt investments, represents principal balance less unearned income.
- (7) Preferred and common stock warrants, equity interests and other investments are non-income producing.
- (8) Debt investment is on non-accrual status at December 31, 2014, and interest payments received were recognized as income on a cash basis.
- (9) Value as a percent of net assets.
The Company did not have any non-qualifying assets under Section 55(a) of the 1940 Act. Under the 1940 Act,
- (10) 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
- (11) 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 will be based on income that the Company has not yet received in cash.

See Notes to Consolidated Financial Statements

Horizon Technology Finance Corporation and Subsidiaries

Notes to Consolidated Financial Statements

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 Investment Company Act of 1940, as amended (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 and 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 cleantech 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”. The Company was formed to continue and expand the business of Compass Horizon Funding Company LLC (“CHF”), a Delaware limited liability company, which commenced operations in March 2008 and became the Company’s wholly owned subsidiary upon the completion of the Company’s IPO.

Horizon Credit I LLC (“Credit I”) was formed as a Delaware limited liability company on January 23, 2008, with CHF as its sole equity member. Credit I is a separate legal entity from the Company and CHF. There has been no activity at Credit I during the three months ended March 31, 2015.

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.

Horizon Credit III LLC (“Credit III”) was formed as a Delaware limited liability company on May 30, 2012, with the Company as the sole equity member. Credit III is a separate legal entity from the Company. There has been no

activity at Credit III during the three months ended March 31, 2015.

Longview SBIC GP LLC and Longview SBIC LP (collectively, "Horizon SBIC") were formed as a Delaware limited liability company and Delaware limited partnership, respectively, on February 11, 2011. Horizon SBIC are wholly owned subsidiaries of the Company and were formed in anticipation of obtaining a license to operate a small business investment company from the U. S. Small Business Administration. There has been no activity in Horizon SBIC since its inception.

The Company formed Horizon Funding 2013-1 LLC ("2013-1 LLC") as a Delaware limited liability company on June 7, 2013 and Horizon Funding Trust 2013-1 ("2013-1 Trust" and, together with 2013-1 LLC, the "2013-1 Entities") as a Delaware trust on June 18, 2013. The 2013-1 Entities are special purpose bankruptcy remote entities and are separate legal entities from the Company. The Company formed the 2013-1 Entities for purposes of securitizing \$189.3 million of secured loans (the "2013-1 Securitization") and issuing fixed-rate asset-backed notes in an aggregate principal amount of \$90 million (the "Asset-Backed Notes").

The Company has also established additional wholly owned subsidiaries, each of which is structured as a Delaware limited liability company, to hold the assets of portfolio companies acquired in connection with foreclosure or bankruptcy. Each is a separate legal entity from the Company.

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 amended and restated investment management agreement (the "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

On March 24, 2015, the Company completed a follow-on public offering of 2,000,000 shares of its common stock at a public offering price of \$13.95 per share, for total net proceeds to the Company of \$26.7 million, after deducting underwriting commission and discounts and other offering expenses.

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 Article 6 or 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 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. Certain prior period amounts have been reclassified to conform to the current period presentation. 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 for the year ended December 31, 2014.

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 subsidiaries in its consolidated financial statements.

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 5. 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 5 for additional information regarding fair value.

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 cleantech 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.

