



Fact Sheet

August 2018



www.horizontechfinance.com

Profile

Horizon Technology Finance Corporation (“Horizon” or “Company” or “we”) is a specialty finance company that lends to and invests in the technology, life science, healthcare information and services and cleantech industries (collectively, our “Target Industries”). Our investment objective is to maximize our investment portfolio’s 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 loans to venture capital backed companies in our Target Industries. We also selectively lend to publically traded companies in our Target Industries.

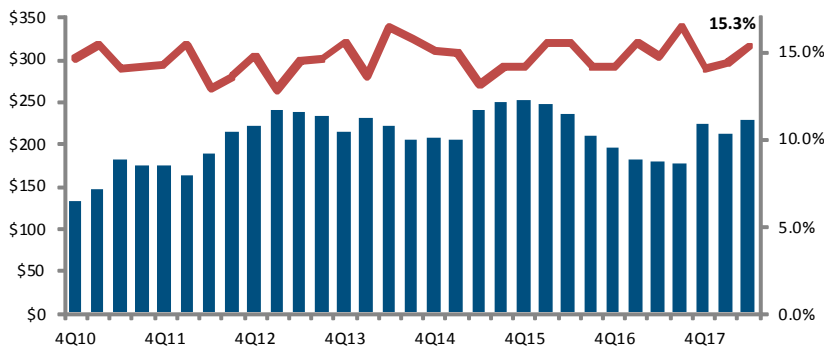
We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a Business Development Company (“BDC”) under the Investment Company Act of 1940 and treated for federal income tax purposes as a regulated investment company (“RIC”). As a RIC, we generally will not have to pay corporate-level federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders if we meet certain source-of-income, distribution, asset diversification and other requirements.

We are externally managed by our advisor, Horizon Technology Finance Management LLC, which manages our day-to-day operations and provides all administrative services necessary for us to operate.

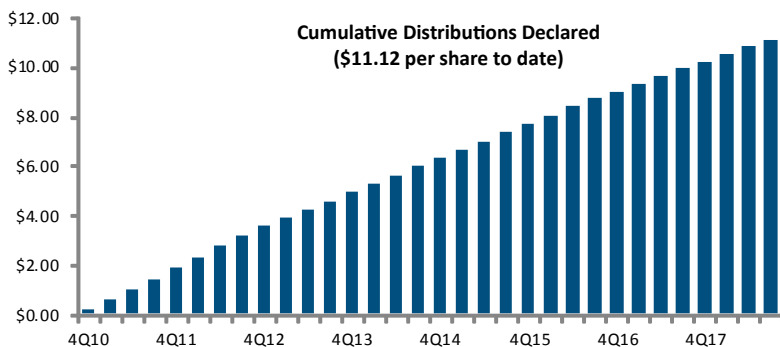
High-Yield Investment Portfolio

As of June 30, 2018, our portfolio consisted of 33 secured loans with an aggregate fair value of \$203 million, and warrants, equity and other investments in 81 companies with an aggregate fair value of \$19 million.

High-Yield Portfolio of Earning Assets



Cumulative Distributions Declared (\$11.12 per share to date)



NASDAQ Global Select Market: HRZN (Stock Quote)*	\$10.75
52-week High*	\$11.69
52-week Low*	\$9.97
Market Capitalization*	\$124 million
Shares Outstanding*	11.53 million
Fiscal-Year End	December 31
NYSE: HTFA (Bond Quote)*	\$25.58

(*As of July 30, 2018 close)

Why HRZN?

High-Quality Investment Portfolio

- Disciplined approach to deal origination has enabled Horizon to generate strong yields

Attractive Distributions

- On July 27, 2018, declared monthly distributions of \$0.10 payable in each of October, November and December 2018
- Cumulative distributions of \$11.12 declared since IPO

Mature Portfolio

- Successful deployment of capital has expanded Horizon’s earning assets and provided a stable stream of interest income that supports future performance

Opportunity for Enhanced Returns

- Horizon’s seasoned warrant portfolio has provided significant realized gains since going public

Leading Brand

- Horizon’s industry leadership has enabled the Company to build strong relationships with venture capital and private equity firms

Favorable Market Focus

- Horizon’s strategic focus on providing venture loans to emerging companies provides the ability to generate attractive risk-adjusted returns

Proven and Experienced Management

- Established management team with each member having 10 to 20+ years of direct lending experience
- Solid historical track record through many economic cycles



MANAGEMENT TEAM

Robert D. Pomeroy, Jr.
Chairman and CEO

Gerald A. Michaud
President and Director

John C. Bombara
SVP & General Counsel

Daniel S. Devorsetz, CFA
SVP & Chief Investment Officer

Daniel R. Trolio
SVP & Chief Financial Officer

BOARD OF DIRECTORS

Robert D. Pomeroy, Jr.
Gerald A. Michaud
James J. Bottiglieri*
Edmund V. Mahoney*†
Elaine A. Sarsynski*
Joseph J. Savage*

* Independent Directors
† Lead Independent Director

ANALYSTS

Compass Point Research & Trading Casey Alexander

KBW Ryan Lynch

Maxim Group Michael Diana

National Securities Chris Testa

Oppenheimer & Co. Chris Kotowski

Raymond James Robert Dodd

INDEPENDENT AUDITOR

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LEGAL COUNSEL

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Proven Business Model in an Underserved Market

Over \$84 billion* in venture capital has been invested over the past year. We estimate that venture lending represents 10% to 20% of the total capital invested. As demand for venture lending remains strong, our business model creates significant value for our portfolio companies while loan structures and market attributes help mitigate risk to Horizon.

* Source: PWC CB Insights MoneyTree Report 2Q2018

Sound Capital Structure with Leverage

As of June 30, 2018, we have \$134 million in equity capital. Our strategy is to leverage our equity capital. Our leverage commitments include a \$100 million revolving credit facility and \$37.4 million of senior unsecured notes.

Financial Summary

Statement of Operations

In thousands (except per share data)	Year ended		Three months ended	
	31-Dec-16	31-Dec-17	30-Jun-17	30-Jun-18
Total Investment Income	\$32,984	\$25,777	\$5,878	\$7,313
Total Net Expenses	15,885	13,480	3,124	4,023
Net Investment Income (NII)	17,099	12,297	2,754	3,290
Realized (Loss) Gain on Investments	(7,776)	(21,191)	176	(153)
Net Unrealized (Depreciation) Appreciation on Investments	(14,236)	18,485	(2,197)	(207)
Net (Decrease) Increase in Assets Resulting from Operations	(\$4,913)	\$9,591	\$733	\$2,930
NII Per Share	\$1.48	\$1.07	\$0.24	\$0.29

Statement of Assets & Liabilities

In thousands (except per share data)	31-Dec-16	31-Dec-17	30-Jun-17	30-Jun-18
Total Investments at Fair Value	\$194,003	\$222,099	\$179,084	\$226,467
Cash and Cash Equivalents	37,135	6,594	12,273	10,840
Total Assets	239,252	234,146	197,117	243,326
Borrowings	95,597	94,075	55,691	104,214
Total Liabilities	100,060	99,071	60,355	109,555
Total Net Assets	\$139,192	\$135,075	\$136,762	\$133,771
Net Asset Value Per Share	\$12.09	\$11.72	\$11.87	\$11.60

Statements included herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this fact sheet may constitute forward-looking statements and are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in our filings with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this fact sheet.