



**Horizon  
Technology  
Finance**

A LIFE SCIENCES & TECHNOLOGY  
VENTURE LENDING PARTNER

August 2019

Fact Sheet



www.horizontechfinance.com

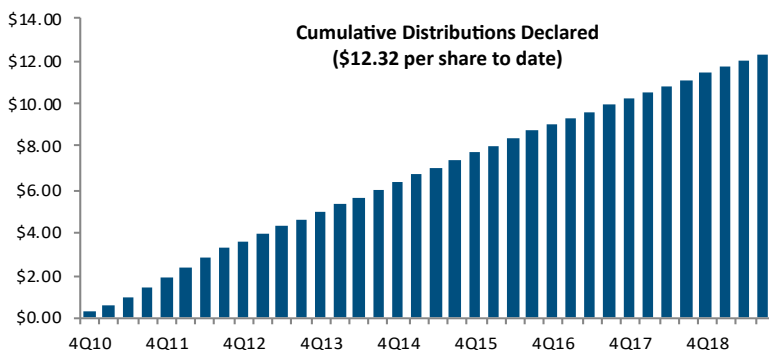
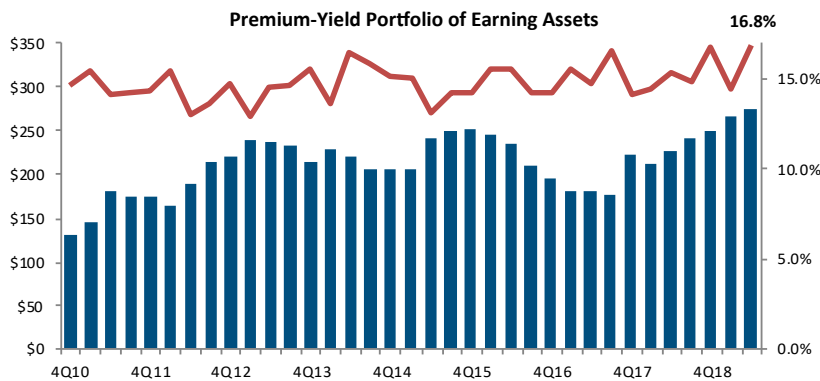
Horizon Technology Finance Corporation (“Horizon” or “Company” or “we”) is a specialty finance company that lends to and invests in the technology, life science, healthcare information and services and cleantech industries (collectively, our “Target Industries”). Our investment objective is to maximize 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 publicly 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.

## Premium-Yield Investment Portfolio

As of June 30, 2019, our portfolio consisted of 33 secured loans with an aggregate fair value of \$242 million, and warrants, equity and other investments in 77 companies with an aggregate fair value of \$19 million.



NASDAQ Global Select Market: HRZN (Stock Quote)*	\$12.10
52-week High*	\$13.41
52-week Low*	\$10.08
Market Capitalization*	\$164 million
Shares Outstanding*	13.5 million
Fiscal Year-End	December 31
NYSE: HTFA (Bond Quote)*	\$25.56

(\*As of August 1, 2019)

## Why HRZN?

### High-Quality Investment Portfolio

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

### Attractive Distributions

- On July 26, 2019, declared monthly distributions of \$0.10 payable in each of October, November and December 2019
- Cumulative distributions of \$12.32 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, CPA  
*SVP & Chief Financial Officer*

### BOARD OF DIRECTORS

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

\* Independent Directors  
<sup>†</sup> Lead Independent Director

### ANALYSTS

Compass Point Research & Trading Casey Alexander  
KBW Ryan Lynch  
Maxim Group Michael Diana

### INDEPENDENT AUDITOR

RSM US LLP

### LEGAL COUNSEL

Dechert LLP

### TRANSFER AGENT

Computershare Shareholders Services  
(877) 296-3711  
www.computershare.com/investor

### INVESTOR CONTACTS

Horizon Technology Finance Corporation  
Dan Trolio, Chief Financial Officer  
(860) 674-9977  
dtrolio@horizontechfinance.com

ICR  
Garrett Edson, Senior Vice President  
(203) 682-8331  
garrett.edson@icrinc.com

## Proven Business Model in an Underserved Market

\$130 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: PitchBook Venture Monitor 4Q 2018

## Sound Capital Structure with Leverage

As of June 30, 2019, we have \$157 million in equity capital. Our strategy is to leverage our equity capital. Our leverage commitments include a \$125 million revolving credit facility and \$37.4 million of senior unsecured notes. On August 13, 2019, Horizon issued \$100 million of asset-backed notes rated A+ by Morningstar, Inc.

## Financial Summary

### Statement of Operations

In thousands (except per share data)	Year ended		Three months ended	
	31-Dec-17	31-Dec-18	30-Jun-18	30-Jun-19
Total Investment Income	\$25,777	\$31,090	\$7,313	\$10,470
Total Net Expenses	13,480	17,224	4,023	5,458
Net Investment Income (NII)	12,297	13,866	3,290	5,012
Realized (Loss) Gain on Investments	(21,191)	645	(153)	(4,598)
Net Unrealized Appreciation (Depreciation) on Investments	18,485	(1,501)	(207)	4,124
Net Increase in Assets Resulting from Operations	\$9,591	\$13,010	\$2,930	\$4,538
NII Per Share	\$1.07	\$1.20	\$0.29	\$0.37

### Statement of Assets & Liabilities

In thousands (except per share data)	31-Dec-17	31-Dec-18	30-Jun-18	30-Jun-19
Total Investments at Fair Value	\$222,099	\$248,441	\$226,467	\$274,759
Cash and Cash Equivalents	6,594	12,591	10,840	7,556
Total Assets	234,146	266,749	243,326	289,302
Borrowings	94,075	126,853	104,214	125,493
Total Liabilities	99,071	132,492	109,555	132,166
Total Net Assets	\$135,075	\$134,257	\$133,771	\$157,136
Net Asset Value Per Share	\$11.72	\$11.64	\$11.60	\$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.