



Horizon Technology Finance

A LIFE SCIENCES & TECHNOLOGY VENTURE LENDING PARTNER

Fact Sheet

August 2021

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 sustainability 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.

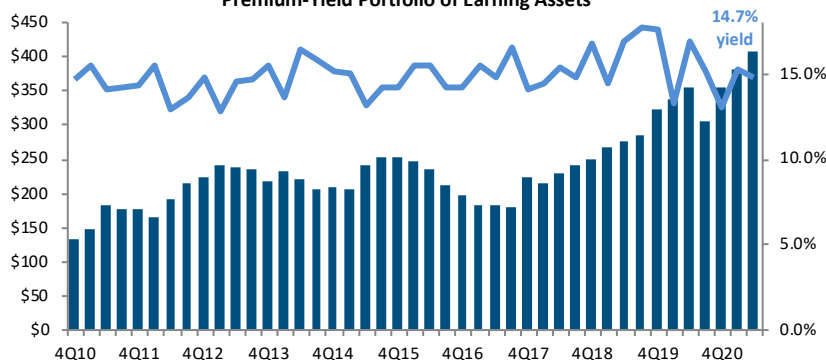
We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a Business Development Company (“BDC”) under the Investment Company Act of 1940 and treated for federal income tax purposes as a regulated investment company (“RIC”). As a RIC, 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.

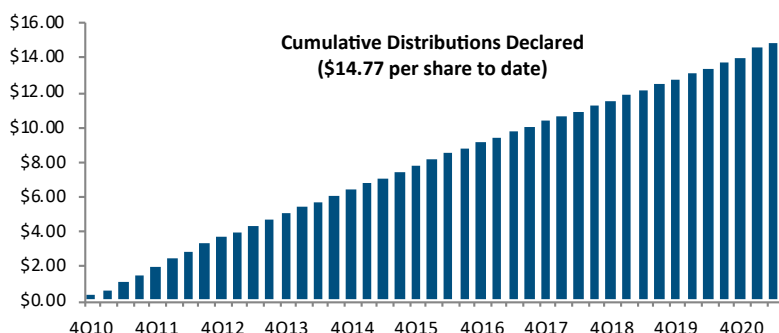
Premium-Yield Investment Portfolio

As of June 30, 2021, our portfolio consisted of 39 secured loans with an aggregate fair value of \$386 million, and warrants, equity and other investments in 73 companies with an aggregate fair value of \$18 million.

Premium-Yield Portfolio of Earning Assets



Cumulative Distributions Declared (\$14.77 per share to date)



NASDAQ Global Select Market: HRZN (Stock Quote)*	\$17.13
52-week High*	\$17.85
52-week Low*	\$11.30
Market Capitalization*	\$343 million
Shares Outstanding*	20.0 million
Fiscal Year-End	December 31
NYSE: HTFB (Bond Quote)*	\$25.81

(*As of July 30, 2021)

Why HRZN?

High-Quality Investment Portfolio

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

Attractive Distributions

- On July 23, 2021, declared monthly distributions of \$0.10 per share payable in each of October, November and December 2021
- \$160 million in distributions paid to shareholders since 2010 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
EVP, General Counsel & Chief Compliance Officer

Daniel S. Devorsetz, CFA
EVP, Chief Operating Officer & Chief Investment Officer

Daniel R. Trolio, CPA
EVP, Chief Financial Officer

Diane C. Earle
SVP, Chief Credit 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

B. Riley FBR Sarkis Sherbetchyan
Compass Point Casey Alexander
 Research & Trading
KBW Ryan Lynch
Maxim Group Michael Diana
Oppenheimer Mitchel Penn

INDEPENDENT AUDITOR

RSM US LLP

LEGAL COUNSEL

Dechert LLP

TRANSFER AGENT

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

INVESTOR CONTACTS

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ICR
Garrett Edson, Managing Director
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Proven Business Model in an Underserved Market

\$105 billion* of venture capital was invested in Horizon's addressable markets in 2020. 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 2020

Sound Capital Structure with Leverage

As of June 30, 2021, we have \$224 million in equity capital. Our strategy is to leverage our equity capital. Our leverage commitments include a \$125 million revolving credit facility, a \$100 million revolving credit facility, \$100 million of asset-backed notes rated A+ by Morningstar, Inc., and \$57.5 million of unsecured 4.875% notes. On April 24, 2021, \$37.4 million of unsecured 6.250% notes were redeemed.

Financial Summary

Statement of Operations

In thousands (except per share data)	Year ended		Three months ended	
	31-Dec-19	31-Dec-20	30-Jun-20	30-Jun-21
Total Investment Income	\$43,125	\$46,035	\$13,524	\$13,489
Total Net Expenses	22,655	25,286	6,818	7,378
Net Investment Income (NII)	20,470	20,749	6,706	6,111
Realized (Loss) Gain	(4,173)	(14,698)	(725)	1,097
Net Unrealized Appreciation (Depreciation) on investments	3,201	313	1,944	(478)
Net Increase in Assets Resulting from Operations	\$19,498	\$6,364	\$7,925	\$6,730
NII Per Share	\$1.52	\$1.18	\$0.40	\$0.31

Statement of Assets & Liabilities

In thousands (except per share data)	Year ended		Three months ended	
	31-Dec-19	31-Dec-20	30-Jun-20	30-Jun-21
Total Investments at Fair Value	\$319,551	\$352,545	\$355,880	\$404,121
Cash and Cash Equivalents	17,385	47,758	38,525	41,335
Total Assets	344,001	407,157	403,269	454,118
Borrowings	152,050	185,819	193,559	220,202
Total Liabilities	159,946	194,560	202,037	229,854
Total Net Assets	\$184,055	\$212,597	\$201,232	\$224,264
Net Asset Value Per Share	\$11.83	\$11.02	\$11.64	\$11.20

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.