



Fact Sheet

November 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.

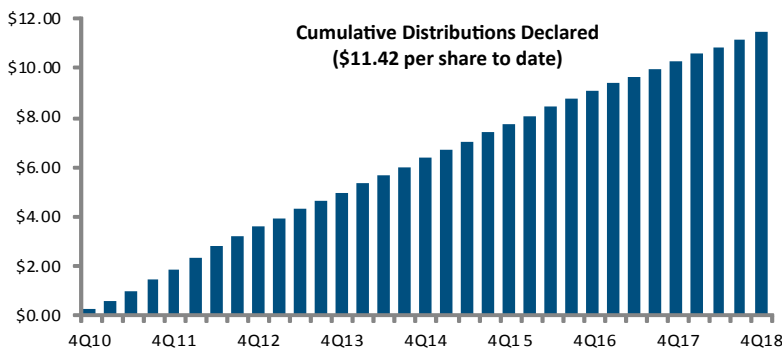
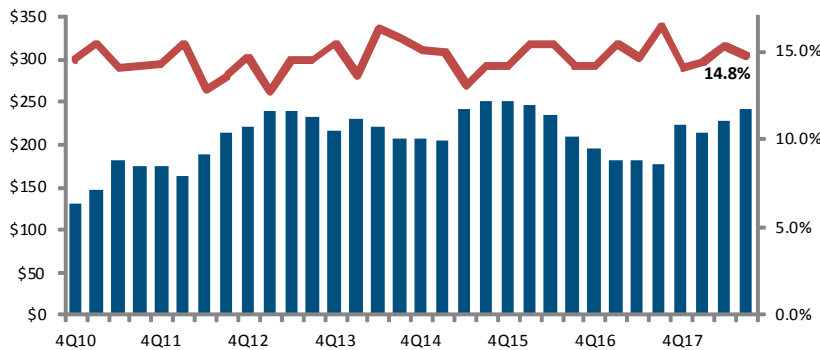
We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a Business Development Company (“BDC”) under the Investment Company Act of 1940 and treated for federal income tax purposes as a regulated investment company (“RIC”). As a RIC, 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 September 30, 2018, our portfolio consisted of 33 secured loans with an aggregate fair value of \$215 million, and warrants, equity and other investments in 82 companies with an aggregate fair value of \$20 million.

High-Yield Portfolio of Earning Assets



NASDAQ Global Select Market: HRZN (Stock Quote)*	\$11.83
52-week High*	\$11.96
52-week Low*	\$9.97
Market Capitalization*	\$136 million
Shares Outstanding*	11.53 million
Fiscal-Year End	December 31
NYSE: HTFA (Bond Quote)*	\$25.35

(*As of November 5, 2018 close)

Why HRZN?

High-Quality Investment Portfolio

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

Attractive Distributions

- On October 26, 2018, declared monthly distributions of \$0.10 payable in each of January, February and March 2019
- Cumulative distributions of \$11.42 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 Case Alexander
KBW Ryan Lynch
Maxim Group Michael Diana
National Securities Chris Testa
Oppenheimer & Co. Chris Kotowski
Raymond James Robert Dodd

INDEPENDENT AUDITOR

RSM US LLP

LEGAL COUNSEL

Dechert LLP

TRANSFER AGENT

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INVESTOR CONTACTS

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Proven Business Model in an Underserved Market

Over \$93 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 3Q2018

Sound Capital Structure with Leverage

As of September 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

	Year ended	Three months ended		
<i>In thousands (except per share data)</i>	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
Total Investment Income	\$25,777	\$7,175	\$7,313	\$7,797
Total Net Expenses	13,480	3,965	4,023	4,395
Net Investment Income (NII)	12,297	3,210	3,290	3,402
Realized (Loss) Gain on Investments	(21,191)	(149)	(153)	66
Net Unrealized Appreciation (Depreciation) on Investments	18,485	(458)	(207)	791
Net Increase in Assets Resulting from Operations	\$9,591	\$2,603	\$2,930	\$4,259
NII Per Share	\$1.07	\$0.28	\$0.29	\$0.30

Statement of Assets & Liabilities

<i>In thousands (except per share data)</i>	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
Total Investments at Fair Value	\$222,099	\$211,905	\$226,467	\$239,757
Cash and Cash Equivalents	6,594	16,127	10,840	5,909
Total Assets	234,146	233,766	243,326	252,162
Borrowings	94,075	94,144	104,214	112,284
Total Liabilities	99,071	99,505	109,555	117,706
Total Net Assets	\$135,075	\$134,261	\$133,771	\$134,456
Net Asset Value Per Share	\$11.72	\$11.65	\$11.60	\$11.66

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.