



Horizon Technology Finance

A LIFE SCIENCES & TECHNOLOGY VENTURE LENDING PARTNER

Fact Sheet

March 2019

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.

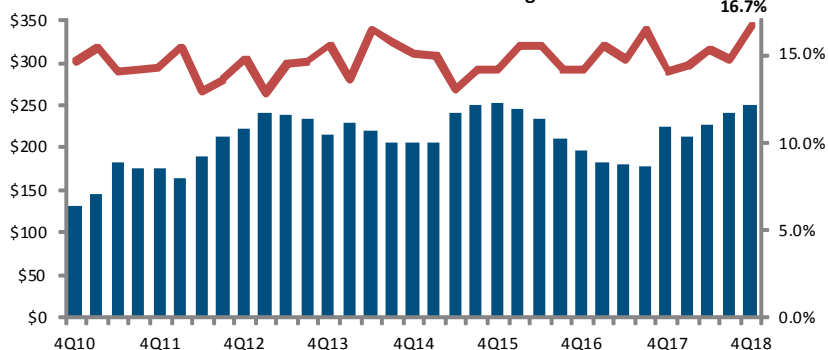
We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a Business Development Company (“BDC”) under the Investment Company Act of 1940 and treated for federal income tax purposes as a regulated investment company (“RIC”). As a RIC,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

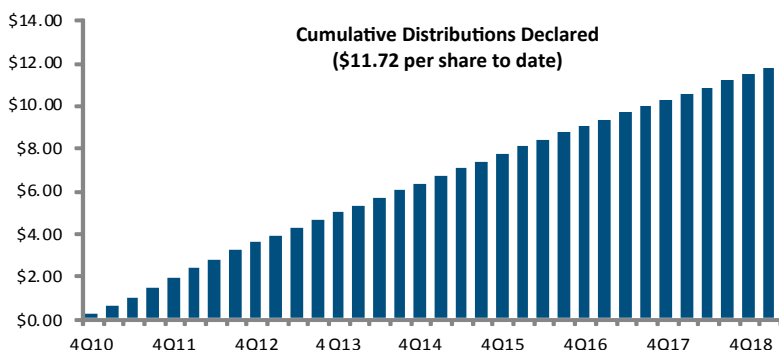
Premium-Yield Investment Portfolio

As of December 31, 2018, our portfolio consisted of 34 secured loans with an aggregate fair value of \$216 million, and warrants, equity and other investments in 80 companies with an aggregate fair value of \$19 million.

Premium-Yield Portfolio of Earning Assets



Cumulative Distributions Declared (\$11.72 per share to date)



NASDAQ Global Select Market: HRZN (Stock Quote)*	\$13.06
52-week High*	\$13.17
52-week Low*	\$9.97
Market Capitalization*	\$151 million
Shares Outstanding*	11.54 million
Fiscal Year-End	December 31
NYSE: HTFA (Bond Quote)*	\$25.41

(*As of March 6, 2019)

Why HRZN?

High-Quality Investment Portfolio

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

Attractive Distributions

- On March 1, 2019, declared monthly distributions of \$0.10 payable in each of April, May and June 2019
- Cumulative distributions of \$11.72 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*[†]

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

Raymond James Robert Dodd

INDEPENDENT AUDITOR

RSM US LLP

LEGAL COUNSEL

Dechert LLP

TRANSFER AGENT

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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 December 31, 2018, we have \$134 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.

Financial Summary

Statement of Operations

In thousands (except per share data)	Year ended		
	31-Dec-16	31-Dec-17	31-Dec-18
Total Investment Income	\$32,984	\$25,777	\$31,090
Total Net Expenses	15,885	13,480	17,224
Net Investment Income (NII)	17,099	12,297	13,866
Realized (Loss) Gain on Investments	(7,776)	(21,191)	645
Net Unrealized (Depreciation) Appreciation on Investments	(14,236)	18,485	(1,501)
Net (Decrease) Increase in Assets Resulting from Operations	(\$4,913)	\$9,591	\$13,010
NII Per Share	\$1.48	\$1.07	\$1.20

Statement of Assets & Liabilities

In thousands (except per share data)	31-Dec-16	31-Dec-17	31-Dec-18
Total Investments at Fair Value	\$194,003	\$222,099	\$248,441
Cash and Cash Equivalents	37,135	6,594	12,591
Total Assets	239,252	234,146	266,749
Borrowings	95,597	94,075	126,853
Total Liabilities	100,060	99,071	132,492
Total Net Assets	\$139,192	\$135,075	\$134,257
Net Asset Value Per Share	\$12.09	\$11.72	\$11.64

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.