



## Fact Sheet

August 2017



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.

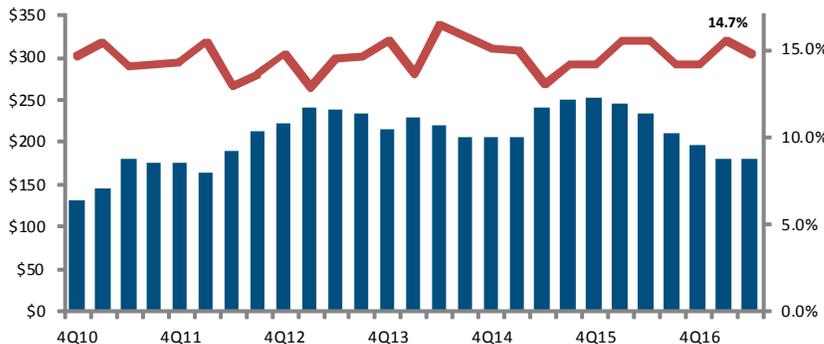
We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a Business Development Company (“BDC”) under the Investment Company Act of 1940 and treated for federal income tax purposes as a regulated investment company (“RIC”). As a RIC,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

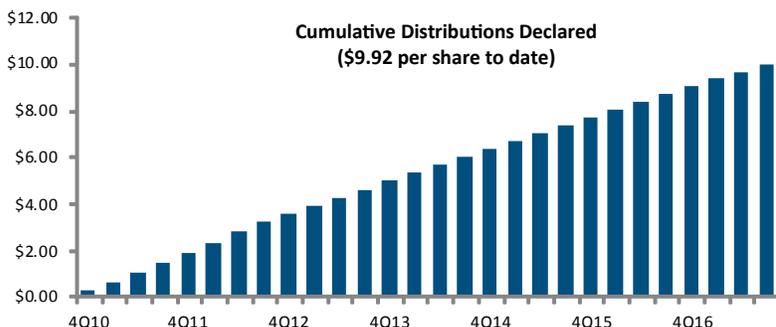
### High-Yield Investment Portfolio

As of June 30, 2017, our portfolio consisted of 37 secured loans with an aggregate fair value of \$165 million, and warrants, equity and other investments in 80 companies with an aggregate fair value of \$14 million.

High-Yield Portfolio of Earning Assets



Cumulative Distributions Declared (\$9.92 per share to date)



|  |               |
|--|---------------|
| NASDAQ Global Select Market: HRZN (Stock Quote)* | \$10.99       |
| 52-week High*                                    | \$13.86       |
| 52-week Low*                                     | \$9.83        |
| Market Capitalization*                           | \$127 million |
| Shares Outstanding*                              | 11.52 million |
| Fiscal-Year End                                  | December 31   |
| NYSE: HTF (Bond Quote)*                          | \$25.72       |

(\*As of August 1, 2017 close)

### Why HRZN?

#### High-Quality Investment Portfolio

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

#### Attractive Distributions

- On July 28, 2017, declared monthly distributions of \$0.10 payable in each of October, November and December 2017
- Cumulative distributions of \$9.92 declared since IPO in October 2010

#### 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*

## 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  
Wells Fargo Securities Jonathan Bock

## 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

The IGB Group  
Leon Berman, Principal  
(212) 477-8438  
lberman@igbir.com

## Proven Business Model in an Underserved Market

Over \$59 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 NVCA MoneyTree Report

## Sound Capital Structure with Leverage

As of June 30, 2017, we have \$137 million in equity capital. Our strategy is to leverage our equity capital. Our leverage commitments include a \$95 million revolving credit facility and \$33 million of senior unsecured notes.

## Financial Summary

### Statement of Operations

| <i>In thousands (except per share data)</i>                 | Year ended |           | Three months ended |           |
|---|------------|-----------|--------------------|-----------|
|   | 31-Dec-15  | 31-Dec-16 | 30-Jun-16          | 30-Jun-17 |
| Total Investment Income                                     | \$31,110   | \$32,984  | \$9,092            | \$5,878   |
| Total Net Expenses  | 17,114     | 15,885    | 4,580              | 3,124     |
| Net Investment Income (NII)                                 | 13,996     | 17,099    | 4,512              | 2,754     |
| Realized (Loss) Gain on Investments                         | (1,650)    | (7,776)   | (876)              | 176       |
| Net Unrealized Depreciation on Investments                  | (490)      | (14,236)  | (3,714)            | (2,197)   |
| Net Increase (Decrease) in Assets Resulting from Operations | \$11,856   | (\$4,913) | (\$78)             | \$733     |
| NII Per Share   | \$1.25     | \$1.48    | \$0.39             | \$0.24    |

### Statement of Assets & Liabilities

| <i>In thousands (except per share data)</i> | 31-Dec-15 | 31-Dec-16 | 30-Jun-16 | 30-Jun-17 |
|---|-----------|-----------|-----------|-----------|
| Total Investments at Fair Value             | \$250,267 | \$194,003 | \$233,266 | \$179,084 |
| Cash and Cash Equivalents                   | 22,141    | 37,135    | 16,280    | 12,273    |
| Total Assets                                | 280,896   | 239,252   | 259,919   | 197,117   |
| Borrowings                                  | 114,954   | 95,597    | 100,502   | 55,691    |
| Total Liabilities                           | 121,145   | 100,060   | 106,689   | 60,355    |
| Total Net Assets                            | \$159,751 | \$139,192 | \$153,230 | \$136,762 |
| Net Asset Value Per Share                   | \$13.85   | \$12.09   | \$13.27   | \$11.87   |

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.