

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 9, 2019

HORIZON TECHNOLOGY FINANCE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

814-00802
(Commission File Number)

27-2114934
(I.R.S. Employer Identification No.)

312 Farmington Avenue
Farmington, CT 06032
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(860) 676-8654**

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 2 Financial Information

Item 2.02 Results of Operations and Financial Condition

On January 9, 2019, Horizon Technology Finance Corporation (the “Company”) issued a press release announcing its investment portfolio update for the three months ended December 31, 2018. A copy of this press release is attached hereto as Exhibit 99.1.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 furnished herewith, is being furnished and shall not be deemed “filed” for any purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liabilities of such Section. The information in this Current Report on Form 8-K shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

[99.1 Press release of the Company dated January 9, 2019.](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 9, 2019

HORIZON TECHNOLOGY FINANCE CORPORATION

By: /s/ Robert D. Pomeroy, Jr.
Robert D. Pomeroy, Jr.
Chief Executive Officer



Horizon Technology Finance Provides Fourth Quarter 2018 Portfolio Update

- Originates \$47.0 Million of New Loans -

- Third Consecutive Quarter of Portfolio Growth -

- Joint Venture Increases Assets, Opening Access to \$100 Million Secured Facility -

Farmington, Connecticut – January 9, 2019 – Horizon Technology Finance Corporation (NASDAQ: HRZN) (“Horizon”), a leading specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and cleantech industries, today provided its portfolio update for the fourth quarter ended December 31, 2018.

“As anticipated, our fourth quarter was a very active and effective one at Horizon,” said Gerald A. Michaud, President of Horizon. “For the third consecutive quarter, we increased the size of our portfolio, buoyed by the origination of \$47 million of new loans, which highlights the strong demand for our venture debt solutions. We also received full prepayment proceeds from three of our existing portfolio investments, providing us with solid returns and the potential for additional returns in the future through our retention of warrants.”

“In addition, we transferred three of our recent portfolio investments to our joint venture with Arena Investors, which further seeded the venture and, most importantly, allows it to begin accessing its \$100 million senior secured debt facility,” added Mr. Michaud. “Along with the recent \$25 million expansion of our credit facility with KeyBank, we have abundant capacity from which to fund new investments and grow our portfolio, leaving us well positioned to continue delivering long-term value for our shareholders.”

Originations

Horizon funded six loans in the fourth quarter of 2018 totaling \$47.0 million:

- \$15.0 million to a new portfolio company, Mohawk Group, Inc., an artificial intelligence-powered e-commerce company that owns and operates brands relating to home and kitchen, appliances, electronics and beauty categories and also provides marketing strategies and intelligence for third party brands to optimize their sales on e-commerce marketplaces.
 - \$10.0 million to a new portfolio company, a provider of high-speed, high-performance solid-state data storage array software.
 - \$8.5 million to an existing portfolio company, The NanoSteel Company, Inc., a leader in nano-structured steel materials design.
 - \$6.0 million to a new portfolio company, a leading cooking and home brand offering a curated shop and award-winning content to its growing, vibrant community.
 - \$3.8 million to an existing portfolio company, HealthEdge Software, Inc., a provider of next-generation technology products to the health insurance market.
 - \$3.8 million to an existing portfolio company, MacuLogix, Inc., a medical device company in the optometry and ophthalmology industry.
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Liquidity Events

Horizon experienced liquidity events from four portfolio companies in the fourth quarter of 2018, which encompassed outstanding principal prepayments of \$24.5 million, compared to \$6.6 million during the third quarter of 2018:

- In October, ShopKeep Inc. (“ShopKeep”) prepaid its outstanding principal balance of \$8.5 million on its venture loan, plus interest, end-of-term payment and prepayment fee. Horizon continues to hold warrants in ShopKeep.
- In October, Ekahau, Inc. (“Ekahau”) closed a sale transaction from which Horizon received proceeds of approximately \$0.9 million in connection with the termination of Horizon’s warrants in Ekahau.
- In October, PebblePost, Inc. (“PebblePost”) prepaid its outstanding principal balance of \$8.0 million on its venture loan plus interest, end-of-term payment and prepayment fee. Horizon continues to hold warrants in PebblePost.
- In November, with the proceeds of a new loan from Horizon, The NanoSteel Company, Inc. (“NanoSteel”) prepaid its previously outstanding principal balance of \$8.0 million on its venture loan plus interest, end-of-term payment and prepayment fee. Horizon continues to hold warrants in NanoSteel.

Joint Venture Activity

During the fourth quarter of 2018, Horizon transferred portions of three of its portfolio investments, totaling \$16.8 million, to Horizon Secured Loan Fund I LLC, its joint venture with Arena Investors LP, as follows:

- \$5.0 million of venture loans to Celsion Corporation, an oncology drug development company.
- \$3.8 million of venture loans to HealthEdge Software, Inc., a provider of next-generation technology products to the health insurance market.
- \$8.0 million of venture loans to IntelePeer Cloud Communications LLC, a leading provider of business communications.

With the size of the joint venture’s portfolio now at \$25.0 million, the joint venture is now able to access its \$100 million senior secured debt facility to fund future investments.

Principal Payments Received

During the fourth quarter of 2018, Horizon received regularly scheduled principal payments on investments totaling \$4.6 million, compared to regularly scheduled principal payments totaling \$5.6 million during the third quarter of 2018.

Commitments

During the fourth quarter ended December 31, 2018, Horizon closed new loan commitments totaling \$53.5 million to five companies, compared to new loan commitments of \$37.5 million to three companies in the third quarter of 2018.

Pipeline

As of December 31, 2018, Horizon’s unfunded loan approvals and commitments (“Committed Backlog”), all priced at floating interest rates, were \$41.5 million to six companies. This compares to a Committed Backlog of \$47.0 million to eight companies as of September 30, 2018. While Horizon’s portfolio companies have discretion whether to draw down such commitments, the right of a portfolio company to draw down its commitment is often subject to achievement of specific milestones and other conditions to borrowing.

Warrant and Equity Portfolio

As of December 31, 2018, Horizon held a portfolio of warrant and equity positions in 77 portfolio companies, including 65 private companies, which provides the potential for future additional returns to Horizon's shareholders.

About Horizon Technology Finance

Horizon Technology Finance Corporation (NASDAQ: HRZN) is a leading specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and cleantech industries. The investment objective of Horizon is to maximize its investment portfolio's return by generating current income from the debt investments it makes and capital appreciation from the warrants it receives when making such debt investments. Headquartered in Farmington, Connecticut, Horizon also has regional offices in Pleasanton, California, Reston, Virginia and Boston, Massachusetts. To learn more, please visit www.horizontechfinance.com.

Forward-Looking Statements

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 press release 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 Horizon's filings with the Securities and Exchange Commission. Horizon undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.

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