

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): October 7, 2020

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.

<u>Title of each class</u>	<u>Ticker symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	HRZN	The Nasdaq Stock Market LLC
6.25% Notes due 2022	HTFA	The New York Stock Exchange

Section 2 **Financial Information**
Item 2.02 **Results of Operations and Financial Condition**

On October 7, 2020, Horizon Technology Finance Corporation (the “Company”) issued a press release announcing its investment portfolio update for the three months ended September 30, 2020. 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 October 7, 2020.](#)

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: October 7, 2020

HORIZON TECHNOLOGY FINANCE CORPORATION

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



Horizon Technology Finance Provides Third Quarter 2020 Portfolio Update

- Originates \$16.0 Million of New Loans -
- Positive Liquidity Events of \$45 Million Demonstrate Earnings Strength of Portfolio -

Farmington, Connecticut – October 7, 2020 – Horizon Technology Finance Corporation (NASDAQ: HRZN) (“Horizon,” “We,” “Our” or the “Company”), 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 sustainability industries, today provided its portfolio update for the third quarter ended September 30, 2020.

“We successfully originated \$16 million of loans, including to two new portfolio companies, despite the protracted economic and health challenges,” said Gerald A. Michaud, President of Horizon. “We remain committed to taking a selective investment approach by investing in companies that offer advanced and unique technological capabilities, have ample liquidity, and experienced and strong management and investors. In addition, \$43 million of prepayment activity during the quarter again demonstrated the power of our predictive pricing strategy. Our liquidity events further demonstrate the quality of our portfolio companies and their potential for positive outcomes. We remain focused on managing our existing portfolio through this challenging economic period and utilizing our strong balance sheet to thoughtfully expand and diversify our portfolio with new debt investments, which will enable us to deliver value to our shareholders.”

Third Quarter 2020 Portfolio Update

Originations

Horizon funded four loans during the third quarter of 2020 totaling \$16.0 million, including:

- \$10.0 million to a new portfolio company, Topia Mobility Inc., a developer of a global talent mobility software platform.
- \$5.0 million to a new portfolio company, BriteCore Holdings, Inc., a developer of a cloud-native, software platform for the property and casualty insurance segment.
- \$1.0 million to two existing Horizon portfolio companies.

Liquidity Events

Horizon experienced liquidity events from five portfolio companies in the third quarter of 2020, including principal prepayments of \$43.1 million and warrant proceeds of \$1.8 million, compared to \$30.0 million of principal prepayments and \$0.5 million of warrant proceeds during the second quarter of 2020:

- In August, New Signature, Inc. (“New Signature”), in connection with its sale to Cognizant, prepaid its outstanding principal balance of \$14.5 million on its venture loan, plus interest, end-of-term payment and prepayment fee. Horizon also received proceeds of approximately \$0.7 million in connection with the termination of its warrants in New Signature.
 - In August, Celsion Corporation (“Celsion”) (NASDAQ: CLSN) prepaid \$4.6 million of the outstanding principal balance of its venture loan, plus interest and end-of-term payment on such prepayment. Horizon continues to hold warrants in Celsion, in addition to its remaining debt investment of \$5.0 million.
 - In August, Horizon received proceeds of \$1.1 million upon the exercise and sale of its warrants in Ontrak, Inc. (“Ontrak”). Horizon continues to hold warrants in Ontrak.
 - In September, Skillshare, Inc. (“Skillshare”) prepaid its outstanding principal balance of \$9.0 million on its venture loan, plus interest, end-of-term payment and prepayment fee. Horizon continues to hold warrants in Skillshare.
 - In September, Mustang Bio, Inc. (“Mustang Bio”) (NASDAQ: MBIO) prepaid its outstanding principal balance of \$15.0 million on its venture loan, plus interest, end-of-term payment and prepayment fee. Horizon continues to hold warrants in Mustang Bio.
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Principal Payments Received

During the third quarter of 2020, Horizon received regularly scheduled principal payments on investments totaling \$5.9 million, compared to regularly scheduled principal payments totaling \$4.9 million during the second quarter of 2020.

Commitments

During the third quarter ended September 30, 2020, Horizon closed new loan commitments totaling \$21.0 million to four companies, compared to new loan commitments of \$75.0 million to four companies in the second quarter of 2020.

Pipeline

As of September 30, 2020, Horizon's unfunded loan approvals and commitments ("Committed Backlog"), all priced at floating interest rates, were \$95.9 million to 13 companies. This compares to a Committed Backlog of \$100.9 million to 12 companies as of June 30, 2020. 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.

Capital Markets Activity – Warrant and Equity Portfolio

As of September 30, 2020, Horizon held a portfolio of warrant and equity positions in 68 portfolio companies, including 57 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 sustainability 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 and Reston, Virginia. 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.



Horizon Technology Finance

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