

HORIZON TECHNOLOGY FINANCE CORP

FORM 8-K (Current report filing)

Filed 04/12/17 for the Period Ending 04/12/17

Address	312 FARMINGTON AVENUE FARMINGTON, CT 06032
Telephone	860-676-8654
CIK	0001487428
Symbol	HRZN
Industry	Closed End Funds
Sector	Financials
Fiscal Year	12/31

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): April 12, 2017

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

On April 12, 2017, Horizon Technology Finance Corporation (the “Company”) issued a press release announcing its investment portfolio update for the three months ended March 31, 2017. 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 April 12, 2017.

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: April 12, 2017

HORIZON TECHNOLOGY FINANCE CORPORATION

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

Exhibit Index

Exhibit No.	Description
99.1	Press release of the Company dated April 12, 2017.



**Horizon Technology Finance Provides
Investment Portfolio Update for First Quarter 2017**

***Increased Investment Activity and Positive Liquidity Events, Including Prepayments and
Warrant Gains, Highlight First Quarter Performance***

FARMINGTON, Conn., April 12, 2017 – 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 a portfolio update for the first quarter of 2017.

“We experienced increased investment activity during the first quarter as we focused our marketing efforts on life science and innovative technology companies with limited leverage,” said Gerald A. Michaud, President of Horizon. “While deploying capital into new investments, Horizon also profited from positive liquidity events from six portfolio companies, including loan prepayments and realized gains from the exercise and sale of warrants. With our considerable liquidity, we believe we are positioned to grow our investment portfolio over the balance of the year.”

New Loans Funded

Horizon funded five new loans in the first quarter of 2017 totaling \$25.8 million to the following portfolio companies:

- \$12.0 million to a new portfolio company, IgnitionOne, Inc., a leading digital marketing and services provider and one of the largest independent marketing technology companies in the world.
- \$4.0 million to a new portfolio company, a mobile app publisher that delivers innovative promotions, rewards and instant-win experiences through free mobile gaming on both iOS and Android.
- \$4.0 million to an existing portfolio company, a provider of a cloud-based, iPad point-of-sale system for small businesses.
- \$3.8 million to an existing portfolio company, vTv Therapeutics, Inc., a clinical-stage biopharmaceutical company committed to the discovery and development of treatments for a range of human diseases including Alzheimer's disease and diabetes.
- \$2.0 million to an existing portfolio company, Luxtera, Inc., a developer of integrated silicon CMOS photonics.

Liquidity Events

During the quarter ended March 31, 2017, Horizon experienced liquidity events from six portfolio companies. Liquidity events for Horizon may consist of the sale of warrants or equity in portfolio companies, loan prepayments, sale of owned assets or receipt of success fees.

As previously disclosed, in March, Argos Therapeutics, Inc. (“Argos”) prepaid the outstanding principal balance of \$9.2 million on its venture loan, plus interest. Horizon continues to hold warrants in Argos.

In March, Rypos, Inc. (“Rypos”) prepaid the outstanding principal balance of \$1.5 million on its venture loan, plus interest, end-of-term payment and prepayment fee. Horizon continues to hold warrants in Rypos.

In March, Social Intelligence Corporation (“Social Intelligence”) prepaid the outstanding principal balance of \$0.2 million on its venture loan, plus interest, end-of-term payment and prepayment fee. Horizon continues to hold warrants in Social Intelligence.

In March, Vidsys, Inc. prepaid the outstanding principal balance of \$2.6 million on its venture loan, plus interest, end-of-term payment and prepayment fee.

In March, MedAvante, Inc. (“MedAvante”) prepaid the outstanding principal balance of \$10.0 million on its venture loan, plus interest, end-of-term payment and prepayment fee. Horizon also received proceeds of approximately \$1.0 million pursuant to its exercise and sale of warrants in MedAvante.

In March, Luxtera, Inc. (“Luxtera”) prepaid the outstanding principal balance of \$3.7 million on its venture loan, plus interest and end-of-term payment. Horizon continues to hold warrants in Luxtera.

Refinanced Principal Balances, Early Principal Payoffs, and Principal Payments Received

As noted above, Horizon experienced early pay-offs during the first quarter of 2017 totaling \$27.2 million, compared to early pay-offs totaling \$12.7 million during the fourth quarter of 2016. During the first quarter of 2017, Horizon received regularly scheduled principal payments on investments totaling \$12.3 million, compared to regularly scheduled principal payments totaling \$12.9 million during the fourth quarter of 2016.

Commitments

During the quarter ended March 31, 2017, Horizon closed new loan commitments totaling \$19.5 million to three companies, compared to the quarter ended December 31, 2016, wherein Horizon closed new loan commitments totaling \$27.5 million to two companies.

Pipeline

As of March 31, 2017, Horizon’s unfunded loan approvals and commitments (“Committed Backlog”), all priced at floating interest rates, were \$11.5 million to three companies. This compares to a Committed Backlog of \$20.8 million to four companies as of December 31, 2016. 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 March 31, 2017, Horizon held a portfolio of warrant and equity positions in 76 portfolio companies, including 63 private companies, which provides the potential for future additional returns to Horizon's shareholders.

About Horizon Technology Finance

Horizon Technology Finance Corporation 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 has regional offices in Pleasanton, California, Reston, Virginia and Boston, Massachusetts. Horizon's common stock trades on the NASDAQ Global Select Market under the ticker symbol "HRZN". 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 our 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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