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Horizon Technology Finance Provides \$10 Million Venture Loan Facility to Mederi Therapeutics

FARMINGTON, CT and GREENWICH, CT -- (Marketwired) -- 12/23/13 -- Horizon Technology Finance Corporation (NASDAQ: HRZN) ("Horizon"), a leading specialty finance company that provides secured loans to venture capital and private equity backed development-stage companies in the technology, life science, healthcare information and services, and clean-tech industries, today announced it has closed a \$10 million venture loan facility to Mederi Therapeutics, Inc. ("Mederi"), a developer of minimally invasive treatments for gastroesophageal reflux disease (GERD) and bowel control disorder (BCD).

Mederi will use the funds for working capital purposes. Horizon funded an initial \$6 million of its \$10 million commitment under the venture loan facility.

"We are pleased to provide this \$10 million venture debt facility to Mederi, an innovative medical device company that provides solutions for debilitating digestive disorders, which affect millions of people worldwide," stated Gerald A. Michaud, President of Horizon. "Mederi's minimally invasive Stretta® and Secca® treatments improve patient quality of life and we are excited to help the company accelerate the commercialization of these treatments. Mederi Therapeutics is a compelling addition to Horizon's dynamic loan portfolio."

"Horizon's strength and reputation in the marketplace made it a clear choice for our financing partner," stated William Rutan, CEO of Mederi. "The customized growth capital provided by Horizon, with a flexible structure and terms closely aligned with Mederi's strategic goals, enhances our ability to continue to expand production and successfully treat patients worldwide, allowing them to lead more fulfilling lives. We appreciate the support of Horizon and their confidence in our future prospects."

About Horizon Technology Finance

Horizon Technology Finance Corporation is a business development company that provides secured loans to development-stage companies backed by established venture capital and private equity firms within the technology, life science, healthcare information and services, and clean-tech industries. The investment objective of Horizon is to maximize total risk-adjusted returns by generating current income from a portfolio of directly originated secured loans as well as capital appreciation from warrants to purchase the equity of portfolio companies. Headquartered in Farmington, Connecticut, with regional offices in Walnut Creek, California and Reston, Virginia, Horizon is externally managed by its investment advisor, Horizon Technology Finance Management LLC. Horizon's common stock trades on the NASDAQ Global Select Market under the ticker symbol "HRZN". In addition, Horizon's 7.375% Senior Notes due 2019 trade on the New York Stock Exchange under the ticker symbol "HTF". To learn more, please visit www.horizontechnologyfinancecorp.com.

About Mederi

Mederi Therapeutics manufactures and markets innovative medical devices that deliver radiofrequency energy to treat diseases of the human digestive system. All Mederi therapies are outpatient, minimally invasive, and promote rapid recovery. Mederi Therapeutics is located in Greenwich, Connecticut. For more information, visit www.mederi-inc.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.

Contact:

Horizon Technology Finance Corporation
Christopher M. Mathieu
Chief Financial Officer
(860) 676-8653
chris@horizontechfinance.com

Investor Relations and Media Contacts:

The IGB Group
Michael Cimini / Leon Berman

(212) 477-8261 / (212) 477-8438
mcimini@igbir.com / lberman@igbir.com

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