



Horizon Technology Finance

Horizon Technology Finance Leads \$12 Million Venture Loan Facility for Digital Signal Corporation

FARMINGTON, Conn. and CHANTILLY, Va., December 22, 2015 – 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 announced it has led a \$12 million venture loan facility for Digital Signal Corporation ("DSC").

DSC, a leader in human identification and identity management solutions, is backed by leading venture capital firms, including SilverHaze Partners and Novak Biddle Venture Partners. DSC will use the proceeds for working capital purposes.

"We are pleased to lead this venture loan facility for DSC," stated Gerald A. Michaud, President of Horizon. "The company's 3D facial recognition technology provides a differentiated security and fraud prevention solution, which has significant commercial applications in both the public and private sectors. Our growth capital will enable DSC to continue to provide the government sector with a timely and critical security solution, while allowing it to expand into other attractive markets."

David Guttadauro, President and CEO of DSC, stated, "Horizon's team of venture lending experts provided us with a customized financing solution that enhanced both our financial flexibility and ability to capitalize on the demand for our human identification solutions. Our facial intelligence and identity management solutions are poised to address different layers of security needs, including identifying terrorists before they have a chance to strike. We combine the power of surveillance with the accuracy of biometrics to provide government and commercial customers with the means to positively protect their people and places. We intend to use Horizon's growth capital to expand our market reach and to advance the development of human identification technology."

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 within the technology, life science, healthcare information and services, and cleantech industries. The investment objective of Horizon is to maximize total returns by generating current income from a portfolio of directly originated secured loans as well as capital appreciation from warrants that it receives when making such loans. Headquartered in Farmington, Connecticut, Horizon has regional offices in Walnut Creek, California and Reston, Virginia. Horizon's common stock trades on the NASDAQ Global Select Market under the ticker symbol "HRZN". To learn more, please visit www.horizontechnologyfinancecorp.com.

About Digital Signal Corporation

Digital Signal Corporation (DSC) was founded in 2001 and is headquartered in Chantilly, Virginia. DSC is a world leader in human identification and identity management solutions, including dynamic three-dimensional (3D) long-range facial recognition capabilities. DSC offers comprehensive biometric enterprise-scale solutions and customized applications for clients globally. For more information, please visit www.digitalsignalcorp.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.

Contacts:

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

Investor Relations and Media Contact:
The IGB Group
Leon Berman
(212) 477-8438
lberman@igbir.com