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## Horizon Technology Finance Announces Successful Settlement of ACT Biotech, Inc. Investment

FARMINGTON, Conn., Dec. 19, 2013 (GLOBE NEWSWIRE) -- Horizon Technology Finance Corporation (Nasdaq:HRZN) (the "Company" or "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, announced today that, in connection with the sale of substantially all of the assets of ACT Biotech, Inc. ("ACT"), Horizon has successfully settled its investment in ACT.

In connection with the sale of substantially all of the assets of ACT to a private, venture capital-backed, biotechnology company, Horizon received a cash payment of approximately \$2.1 million, which Horizon applied to its venture loan balance. Horizon also received the right to receive from ACT up to \$17 million in contingent contractual success payments. The success payments are subject to the buyer of the ACT assets achieving various development and commercialization milestones with the purchased assets. The Company cannot guarantee that it will receive any success payments.

Horizon expects to record a realized loss on its loan to ACT of approximately \$1.9 million for the quarter ended December 31, 2013. Horizon had previously recorded unrealized depreciation of \$1.2 million of this \$1.9 million in prior periods. Any of the success payments actually received by Horizon would be recorded as income in the period received.

Robert D. Pomeroy, Jr., Chairman and Chief Executive Officer of Horizon, stated, "We are pleased to successfully close on the liquidation of this loan, which has been on non-accrual since the fourth quarter of 2012. With this settlement, we have put this problem loan behind us and now look forward to upside potential based on success payments. We believe our extensive expertise managing venture loan portfolios resulted in limiting losses while preserving upside."

### 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](http://www.horizontechnologyfinancecorp.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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