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Horizon Technology Finance Corporation Announces Small Business Administration's Acceptance for Filing of Its SBIC License Application

FARMINGTON, Conn., Dec. 21, 2010 (GLOBE NEWSWIRE) -- Horizon Technology Finance Corporation (Nasdaq:HRZN), announced that its application for a license to operate a subsidiary as a Small Business Investment Company ("SBIC") from the United States Small Business Administration ("SBA") has been accepted for filing.

The license, if granted, will allow Horizon to access leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and customary procedures. Debentures are loans issued by an SBIC which have interest payable semi-annually and a ten-year maturity. The interest rate is fixed at the time of issuance at a market-driven spread over U.S. Treasury Notes with ten-year maturities. The SBIC will be subject to a variety of regulations and oversight by the SBA concerning, among other things, the size and nature of the companies in which it may invest as well as the structure of those investments.

"The acceptance by the SBA of our application for review is an important step in our strategy to obtain an SBIC license from the SBA," said Robert D. Pomeroy, Jr., Chairman and Chief Executive Officer. "We look forward to working with the SBA during the licensing process over the coming months."

About Horizon Technology Finance Corporation

Horizon Technology Finance Corporation is a closed-end investment company that has elected to be treated as a business development company under the Investment Company Act of 1940. The Company makes secured loans to development-stage companies in the technology, life science, healthcare information and services, and clean-tech industries. The Company is externally managed by its investment advisor, Horizon Technology Finance Management LLC.

Forward-Looking Statements

Statements included herein may constitute "forward-looking statements," which relate to future events or our future performance or financial condition. These statements 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. The Company 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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