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Horizon Technology Finance Closes \$3 Million Venture Loan to VidSys

FARMINGTON, Conn. and VIENNA, Va., Jan. 9, 2013 (GLOBE NEWSWIRE) -- 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 cleantech industries, announced today that on November 15, 2012, it provided a \$3 million venture loan to VidSys, Inc. ("VidSys"), a provider of Physical Security Information Management (PSIM) software.

Gerald A. Michaud, President of Horizon, stated, "VidSys is a pioneer in PSIM applications, empowering public sector agencies and enterprise organizations with mission-critical intelligence that improves their security while reducing operational costs. Our venture debt financing will enable VidSys to accelerate the adoption of its advanced technology platform on a global basis."

John F. Bruno, Chief Financial Officer & SVP of VidSys, stated, "Horizon's leading industry reputation and experienced team of dedicated investment professionals validated our choice of a proven venture lender. The \$3 million venture loan we received from Horizon enhances our liquidity and strengthens our ability to reach key corporate milestones and continue to grow our business. We appreciate Horizon's support and 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 Technology Finance 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, the Company 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, the Company'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 VidSys

Headquartered in Vienna, Virginia, VidSys provides a transformational Physical Security Information Management (PSIM) software platform used to run operations centers for public sector agencies and leading enterprise organizations globally. The platform continuously fuses and instantly correlates vast amounts of data gathered from any number or virtually any type, brand or generation of physical security system or sensor, as well as from networked management applications. The result is actionable intelligence that empowers decision makers from a single organization or multiple entities — however geographically dispersed — to collaborate in real time. By leveraging mobile devices, the software also provides instant situational awareness and mission-critical intelligence to first responders, senior executives or other authorized parties. For more information, please visit www.vidsys.com.

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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