

July 6, 2011

Horizon Technology Finance Provides Investment Portfolio Update for Second Quarter 2011

New Loans Funded Total \$51 Million

FARMINGTON, Conn., July 6, 2011 (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, today provided a portfolio update for the second quarter of 2011.

Gerald A. Michaud, President of Horizon, commented, "During the second quarter, we successfully converted a considerable portion of Horizon's backlog to earning assets. The significant increase in funded loans further expands our high-quality investment portfolio and strengthens Horizon's leading industry brand. As we continue to deploy capital in a disciplined manner, combined with our increased leverage following a recently announced bank commitment of \$75 million in connection with a new \$150 million accordion credit facility, we remain well positioned to grow future earnings and dividends on behalf of our shareholders."

New Loans Funded

Gross new loan investments during the second quarter of 2011 increased to \$51 million from \$29 million in the first quarter of 2011. Less refinanced balances, net new loan investments totaled approximately \$45 million.

During the second quarter of 2011, Horizon provided funding to the following five new companies and four existing portfolio companies:

- **Aperio Technologies, Inc.** received a \$5 million loan investment from Horizon. Aperio is a provider of digital pathology solutions in hospitals, reference labs and pharmaceutical and research institutions worldwide. The company is dedicated to creating scanners, software and digital pathology services that not only improve the bottom line, but that ultimately enhance patient care.
- **Construction Software Technologies, Inc.** received a \$6 million loan investment from Horizon. Construction Software is a provider of online preconstruction management services for the construction industry, streamlining the preconstruction process and connecting architects, general contractors, subcontractors, manufacturers, distributors and suppliers.
- **PatientKeeper, Inc.** received a \$5.5 million loan investment from Horizon. PatientKeeper is a provider of physician health information systems, enabling physicians and hospitals to focus on their patients, not technology, by providing highly intuitive software that streamlines physician workflow to improve productivity and patient care.
- **PixelOptics, Inc.**, an existing portfolio company, received a \$10 million loan investment from Horizon. PixelOptics is focused on enhancing the current standard of vision correction by inventing, developing and marketing a wide range of innovative new products in the spectacle lens industry based on dynamic focusing lenses, innovative lens design technologies and composite optics.
- **SeaPass Solutions, Inc.** received \$5 million in financing from Horizon. SeaPass is an independent provider of web-based insurance distribution solutions to the property and casualty insurance industry that enable insurance carriers, agents, brokers and wholesalers to better connect, communicate and manage their business.
- **Tigo Energy, Inc.**, an existing portfolio company, received a \$1 million loan investment from Horizon. Tigo focuses on applying innovative technologies to the solar PV space, delivering more energy, active management and enhanced safety for utility, commercial and residential solar arrays.
- **Xcovery Holding Company LLC**, an existing portfolio company, received a \$1.5 million loan investment from Horizon. Xcovery is dedicated to advancing next generation targeted therapeutics as promising new treatments to improve the lives of cancer patients.
- An existing portfolio company received a \$7 million loan investment from Horizon. This diagnostics company is dedicated to personalized cancer care.

- A new portfolio company received a \$10 million loan investment from Horizon. This technology company provides optical and IP networking solutions.

Commitments

During the quarter ended June 30, 2011, Horizon closed loan commitments totaling \$36 million, plus warrants, to four new companies and one existing portfolio company. This compares to loan commitments totaling \$52 million for the quarter ended March 31, 2011.

Pipeline

As of June 30, 2011, Horizon's unfunded loan approvals and commitments ("Committed Backlog") totaled \$22 million to six companies. This compares to a Committed Backlog of \$51 million as of March 31, 2011. While Horizon's portfolio companies have discretion whether to draw down such commitments, in some cases, the right of a company to draw down its commitment is subject to the portfolio company achieving specific milestones (e.g. an additional capital issuance or the completion of a clinical trial).

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 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, CT, with a regional office in Walnut Creek, CA, the Company is externally managed by its investment advisor, Horizon Technology Finance Management LLC. To learn more, please visit www.horizontechnologyfinancecorp.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.

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

Leon Berman / Michael Cimini

(212) 477-8438 / (212) 477-8261

lberman@igbir.com / mcimini@igbir.com

Source: Horizon Technology Finance Corporation

News Provided by Acquire Media