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Horizon Technology Finance Provides Investment Portfolio Update for First Quarter 2012

Investment Activity Increases for Third Consecutive Quarter

FARMINGTON, Conn., April 4, 2012 (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 first quarter of 2012.

Gerald A. Michaud, President of Horizon, commented, "During the first quarter of 2012, we continued to efficiently deploy our capital into high-quality earning assets. Our ongoing ability to meet the strong demand for Horizon's debt products is evidenced by our increasing level of investment activity for the last three quarters, from \$7 million in the third quarter of 2011, to \$19.5 million in the fourth quarter of 2011 and \$31.7 million in the first quarter of this year. We are also pleased that in the first quarter we were able to expand or maintain our investments in several of our existing portfolio companies which demonstrated strong operating performance in 2011. Maintaining and expanding our investments in successful portfolio companies bodes well for the overall quality of our portfolio going forward. In addition, with Horizon's recent closing of a \$30 million senior note financing, we are well positioned to meet the demand for our debt products and maintain our investment growth trajectory during the balance of 2012, which will drive future performance."

New Loans Funded

Gross new loan investments during the first quarter of 2012 totaled \$31.7 million. Less refinanced balances, net new loan investments totaled approximately \$12 million. During the first quarter of 2012, Horizon provided funding to the following new portfolio company and four existing portfolio companies:

- **Optaros, Inc.**, received a \$2 million loan investment from Horizon. Optaros delivers digital commerce services that embrace emerging technologies to create exceptional branded experiences.
- **Radisphere National Radiology Group, Inc.**, an existing portfolio company, received a \$12 million loan investment from Horizon. Radisphere works with rural and community hospitals to measurably improve quality and patient care, while managing costs.
- **Tigo Energy, Inc.**, an existing portfolio company, received a \$3 million loan investment from Horizon. Tigo focuses on applying innovative technologies to the solar photovoltaic space, delivering more energy, active management and enhanced safety for utility, commercial and residential solar arrays.
- An existing portfolio company received a \$7 million loan investment from Horizon. This company provides identity and access management solutions.
- An existing portfolio company received a \$7.7 million loan investment from Horizon. This company is a late-stage biopharmaceutical company focused on discovering, developing and commercializing therapeutics for the treatment of upper gastrointestinal motility disorders.

Commitments

During the quarter ended March 31, 2012, Horizon closed loan commitments totaling \$24.5 million, plus warrants, to one new company and two existing portfolio companies. For the quarter ended December 31, 2011, loan commitments totaled \$21.5 million.

Pipeline

As of March 31, 2012, Horizon's unfunded loan approvals and commitments ("Committed Backlog") totaled \$16 million to six companies, which compares to a Committed Backlog of \$22.5 million as of December 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 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 a regional office in Walnut Creek, California, 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.

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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