

April 6, 2011

## Horizon Technology Finance Provides Investment Portfolio Update for First Quarter 2011

### Committed Backlog Increases to \$51 Million

FARMINGTON, Conn., April 6, 2011 (GLOBE NEWSWIRE) -- Horizon Technology Finance Corporation (Nasdaq:HRZN) ("HRZN" 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 2011.

Gerald A. Michaud, President of Horizon, commented, "We are pleased to continue our strong momentum increasing deal originations since going public in October of 2010. The success we have achieved funding new loans and increasing our committed backlog is testament to management's disciplined approach in capitalizing on an attractive venture lending environment and meeting the strong demand for our secured debt products. By expanding our high-quality investment portfolio in a manner that adheres to a strict set of underwriting and return criteria, we have supported the development by emerging growth companies in our target markets and strengthened our future earnings and dividend potential."

### Originations

During the quarter ended March 31, 2011, HRZN closed loan commitments totaling \$52 million, plus warrants, to four new companies and four existing portfolio companies:

- **Anacor Pharmaceuticals, Inc.** (Nasdaq:ANAC) received a commitment from Horizon for \$10 million. Anacor is a publicly traded biopharmaceutical company focused on discovering, developing and commercializing novel small-molecule therapeutics derived from its boron chemistry platform.
- **Courion Corporation** received a commitment from Horizon for \$7 million. Courion is a provider of solutions across numerous industry segments that enable customers to improve security, reduce costs and streamline compliance with key industry-specific requirements and regulations.
- **Enphase Energy** received a commitment from Horizon for \$5 million. Enphase, a provider of solar energy management systems for residential and commercial markets, offers a system that includes high-efficiency microinverters, communications and web-based monitoring and analysis.
- **N30 Pharmaceuticals LLC** received a commitment from Horizon for \$5 million. N30 Pharma is a biopharmaceutical company focused on the discovery and development of proprietary drugs that provide therapeutic advantages compared to current treatments for major human diseases such as asthma, Chronic Obstructive Pulmonary Disease and Irritable Bowel Syndrome.
- **PixelOptics, Inc.** received a commitment from Horizon for \$10 million. Pixel 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 a commitment from Horizon for \$5 million. SeaPass is a leading 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.
- **Supernus Pharmaceuticals, Inc.** received a commitment from Horizon for \$5 million. Supernus, a specialty pharmaceutical company, is focused on developing and commercializing products for the treatment of central nervous system disorders.
- **Tengion, Inc.** (Nasdaq:TNGN), an existing portfolio company, received a commitment from Horizon for \$5 million. Tengion is a publicly traded clinical-stage biotechnology company that has pioneered the Organ Regeneration Platform™, enabling the company to create proprietary product candidates intended to harness the intrinsic regenerative pathways of the body to produce a range of native-like organs and tissues.

### New Loans Funded

Based on Horizon's investment activity, gross new loan investments during the first quarter of 2011 totaled approximately \$29

million, which includes both new and existing portfolio company investments. Less refinanced balances, net new loan investments totaled approximately \$26 million.

## Pipeline

As of March 31, 2011, unfunded loan approvals and commitments ("Committed Backlog") totaled \$51 million to 11 companies. This compares to a Committed Backlog of \$27 million as of December 31, 2010. 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).

In addition, there was awarded backlog representing \$33 million in potential loan investments to 5 companies as of March 31, 2011. This compares to an awarded backlog of \$5 million as of December 31, 2010. Awarded term sheets are subject to the completion of due diligence and definitive documentation and there is no guarantee the Company will close any of these transactions.

## 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](http://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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