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## Horizon Technology Finance Partners on \$7.5 Million Venture Loan Facility for Luxtera

**FARMINGTON, Conn. and CARLSBAD, Calif., July 18, 2012** - 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 sciences, healthcare information and services, and clean-tech industries, and Silicon Valley Bank ("SVB"), a subsidiary of SVB Financial Group, provided a \$7.5 million venture loan facility to Luxtera, Inc. ("Luxtera") on June 29, 2012.

Under the terms of the venture loan facility, Horizon provided a commitment of up to \$5 million to Luxtera and SVB provided a commitment of up to \$2.5 million. The funds provided under the venture loan facility will be used to support Luxtera's continued growth.

"Horizon is pleased to partner with SVB on this venture debt financing to Luxtera, a rapidly growing company that is transforming the speed of data communications," said Gerald A. Michaud, President of Horizon. "Our debt financing allows Luxtera to leverage its recently raised equity capital and to continue commercialization of its optical connectivity technology. We look forward to working with Luxtera as it attracts growing interest from major industry players."

Greg Young, CEO and President of Luxtera, said, "We are delighted to partner with Horizon and SVB on this important venture loan financing. These two leading venture lenders worked seamlessly to provide us with a flexible credit facility that matched our needs. We will utilize the proceeds from the facility to expand our commercial efforts."

"As Luxtera continues to pursue its goals, we are pleased to support the company's future growth with the financing it needs," said Frederick "Buzz" Kreppel, Senior Relationship Manager for Silicon Valley Bank. "It's an exciting time for Luxtera and we look forward to helping the team succeed."

### 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 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](http://www.horizontechnologyfinancecorp.com).

### About Luxtera

Luxtera, Inc. is the world leader in integrated silicon CMOS photonics. It is the first company to overcome the complex technical obstacles involved with integrating high performance optics directly with silicon electronics on a mainstream CMOS chip, bringing direct "fiber to the chip" connectivity to market. Headquartered in Carlsbad, California, Luxtera is a fabless semiconductor company that was founded in 2001 by a team of industry-renowned researchers and technology managers drawn from the communications and semiconductor industries. Luxtera has received funding from leading venture capitalists including August Capital, New Enterprise Associates, Sevin Rosen Funds and Lux Capital. More information can be found on the company's website: [www.luxtera.com](http://www.luxtera.com)

### About Silicon Valley Bank

Silicon Valley Bank is the premier bank for technology, life science, cleantech, venture capital, private equity and premium wine businesses. SVB provides industry knowledge and connections, financing, treasury management, corporate investment and international banking services to its clients worldwide through 27 U.S. offices and seven international operations. (Nasdaq: SIVB) [www.svb.com](http://www.svb.com).

Silicon Valley Bank is the California bank subsidiary and the commercial banking operation of SVB Financial Group. Banking services are provided by Silicon Valley Bank, a member of the FDIC and the Federal Reserve System. SVB Private Bank is a division of Silicon Valley Bank. SVB Financial Group is also a member of the Federal Reserve System.

### 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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