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Horizon Technology Finance Closes \$12.5 Million Venture Loan Facility to Avalanche Technology

FARMINGTON, Conn. and FREMONT, Calif., July 2, 2012 (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 sciences, healthcare information and services, and clean-tech industries, today announced that it has closed a \$12.5 million venture loan facility with Avalanche Technology, Inc. ("Avalanche"), a developer of next-generation storage class memory products utilizing its proprietary Spin Programmable Memory (SPMEM™) technology. The proceeds will support the company's continued development efforts.

"Avalanche represents a strong addition to our high-quality venture loan portfolio," said Gerald A. Michaud, President of Horizon. "We believe, based on its innovative technology, customer traction and market leadership, the company is poised to revolutionize the memory industry. We look forward to working with Avalanche's management team and providing the company with important growth capital as Avalanche further develops its memory storage solutions."

Petro Estakhri, CEO and founder of Avalanche, said, "We are very pleased to partner with Horizon on this venture loan commitment. Horizon came highly regarded to us, and this significant debt financing allows us to finance the development of our products at a very key time. We appreciate both the support shown by Horizon, a leading venture lender, at this stage of our development, and the ability of Horizon to deliver a flexible financing solution as we continue to make considerable progress towards the commercial production of our SPMEM™ products."

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.

About Avalanche

Avalanche Technology is a mid-stage company comprised of successful serial entrepreneurs and veterans in semiconductor, memory and storage industries. Avalanche Technology has set out to fundamentally change the memory industry with its high performance, scalable, non volatile magnetic memory platform that is protected by a comprehensive patent portfolio. The company licenses its technology for use in a wide variety of telecommunication, networking, storage, computing and handheld applications. Avalanche is backed by top tier VCs including Vulcan Capital, Sequoia Capital, Bessemer Venture Partners, Thomvest Ventures, Qualcomm Ventures and Leader Ventures. For more information, please visit www.avalanche-technology.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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