

September 11, 2012

Horizon Technology Finance Announces \$7 Million Venture Loan Facility for Mitralign

FARMINGTON, Conn. and TEWKSBURY, Mass., Sept. 11, 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 Horizon and Square 1 Bank have provided a \$7 million venture loan facility to Mitralign, Inc. ("Mitralign"), a cardiac device company specializing in percutaneous mitral valve repair.

Under the terms of the venture loan facility, Horizon provided a commitment of up to \$4 million to Mitralign and Square 1 Bank provided a commitment of up to \$3 million. The funds provided under the venture loan facility will be used to support Mitralign's continued product development.

"We are pleased to add Mitralign to our expanding loan portfolio," said Gerald A. Michaud, President of Horizon. "The company meets our investment criteria including having a unique, heart mitral valve repair technology that is poised to serve a large, underserved market. Our debt financing allows Mitralign to further develop and test its innovative catheter-based technology and advance its product towards global commercialization."

Rick Geoffrion, CEO of Mitralign, said, "This important venture loan facility from Horizon and Square 1 Bank provides our company with important liquidity to meet our key corporate milestones. We appreciate the support of these two premier lenders, who worked closely together to construct a flexible financing solution that allows us to further develop our mitral valve repair system and establish a leadership position in structural cardiology."

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 regional offices in Walnut Creek, California and Reston, Virginia, 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 Mitralign

Mitralign is a cardiac device company that has developed and is currently testing an innovative, catheter-based valve repair technology for first-line percutaneous treatment of functional mitral regurgitation. The novel technology emulates a surgical Kay annuloplasty as it delivers a pair of surgical implants directly into the mitral annulus through a catheter. The implants are cinched together, thus reducing the size of the mitral valve annulus and shifting the valve leaflets closer together. The location of the implants, the extent of the cinching and the number of implants can potentially be customized according to the needs of each patient. Once the procedure is completed, therapeutic options remain open, a desirable characteristic of a first-line therapy. For additional details, please refer to the website: www.mitralign.com

About Square 1 Bank

Square 1 Bank is a full service commercial bank dedicated exclusively to serving the financial needs of the venture capital community and entrepreneurs in all stages of growth and expansion. Square 1's expertise, focus and strong capital base provide solid support for its clients' needs. The bank offers tailored products and solutions aided by the latest in technological innovations. To serve its relationships, Square 1 has offices coast to coast in Austin, Boston, Boulder, Durham, McLean, New York, San Diego, Santa Monica, Seattle, and Silicon Valley. For more information, visit www.square1bank.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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Source: Horizon Technology Finance Corporation

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