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Horizon Technology Finance Closes a \$6 Million Growth Financing With Raydiance

FARMINGTON, Conn. and PETALUMA, Calif., Feb. 5, 2013 (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 science, healthcare information and services, and clean-tech industries, today announced that it has closed a \$6 million venture loan facility with Raydiance, Inc. ("Raydiance"), a market leading provider of femtosecond laser-based, precision manufacturing solutions for the medical, automotive and consumer electronics markets. The proceeds of the venture loan will be used to support Raydiance's continued growth.

Gerald A. Michaud, President of Horizon, stated, "Raydiance is an exciting addition to our quality loan portfolio. The company has developed an ultrafast laser technology platform for a number of high-volume production applications that help dramatically improve existing manufacturing processes and enable new advanced products. We are delighted to provide \$6 million in venture debt financing to this innovative technology manufacturing company, which meets our strict investment criteria."

"We are pleased to have a premier venture lender as a financing partner," said Raydiance COO\CFO, William R. Beyer. "Horizon's flexible structure and efficient loan process, combined with its in-depth knowledge of our business are an ideal fit for Raydiance. We will utilize this growth capital to ramp production and meet the strong demand for our precision manufacturing solutions."

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 Raydiance

Raydiance develops and produces precision manufacturing solutions enabled by femtosecond laser technology. Raydiance's solutions feature ready-to-integrate hardware and software packages that address most demanding, high precision manufacturing challenges delivering dramatic value—improved products and lower manufacturing costs—to customers in the medical, industrial and consumer electronics markets. For more information, visit www.raydiance.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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