

WhiteHorse Finance, Inc.

Earnings Presentation

Quarter Ended March 31, 2019



NASDAQ: WHF (Common Stock)
NASDAQ: WHFBZ (6.50% Notes due 2025)

Important Information and Forward Looking Statements

References in this presentation to “WHF”, “we”, “us”, “our” and “the Company” refer to WhiteHorse Finance, Inc.

This presentation and the information and views included herein do not constitute investment advice, or a recommendation or an offer to enter into any transaction with the Company or any of its affiliates. Investors are advised to consider carefully the Company’s investment objectives, risks, charges and expenses before investing in the Company’s securities. Our annual reports on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities and Exchange Commission (“SEC”), contain this and other information about the Company and should be read carefully before investing in the Company’s securities. The information in this presentation is not complete and may be changed. This presentation is not an offer to sell the Company’s securities and is not soliciting an offer to buy the Company’s securities in any jurisdiction where such offer or sale is not permitted.

A shelf registration statement relating to the Company’s securities is on file with the SEC. A public offering of the Company’s securities may be made only by means of a prospectus and a related prospectus supplement, copies of which may be obtained by writing the Company at 1450 Brickell Avenue, 31st Floor, Miami, FL 33131, Attention: Investor Relations, or by calling (305) 381-6999; copies may also be obtained by visiting EDGAR on the SEC’s website at <http://www.sec.gov>.

Forward Looking Statements

Some of the statements in this presentation constitute forward-looking statements, which relate to future events or the Company’s future performance or financial condition. The forward-looking statements contained in this presentation involve risks and uncertainties, including statements as to: the Company’s future operating results; changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, which could result in changes to the value of the Company’s assets; the Company’s business prospects and the prospects of its prospective portfolio companies; the impact of investments that the Company expects to make; the impact of increased competition; the Company’s contractual arrangements and relationships with third parties; the dependence of the Company’s future success on the general economy and its impact on the industries in which the Company invests; the ability of the Company’s prospective portfolio companies to achieve their objectives; the relative and absolute performance of the Company’s investment adviser; the Company’s expected financings and investments; the adequacy of the Company’s cash resources and working capital; the timing of cash flows, if any, from the operations of the Company’s prospective portfolio companies; and the impact of future acquisitions and divestitures.

Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words “may,” “might,” “will,” “intend,” “should,” “could,” “can,” “would,” “expect,” “believe,” “estimate,” “anticipate,” “predict,” “potential,” “plan” or similar words.

The Company has based the forward-looking statements included in this presentation on information available to us on the date of this presentation, and the Company assumes no obligation to update any such forward-looking statements. Actual results could differ materially from those implied or expressed in the Company’s forward-looking statements for any reason, and future results could differ materially from historical performance. Although the Company undertakes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that are made directly to you or through reports that the Company in the future may file with the Securities and Exchange Commission, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. For a further discussion of factors that could cause the Company’s future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in the annual reports on Form 10-K and quarterly reports on Form 10-Q we file with the SEC.

WhiteHorse Finance Snapshot

Company:

WhiteHorse Finance, Inc. (“WhiteHorse Finance” or the “Company”)

Equity Ticker:

NASDAQ: WHF

Market Cap:

\$301.6MM⁽¹⁾

NAV / Share:

\$15.33

Portfolio Fair Value:

\$468.4MM

Current Dividend Yield:

9.7%⁽¹⁾; consistent quarterly dividends of \$0.355 per share since 2012 IPO

External Manager:

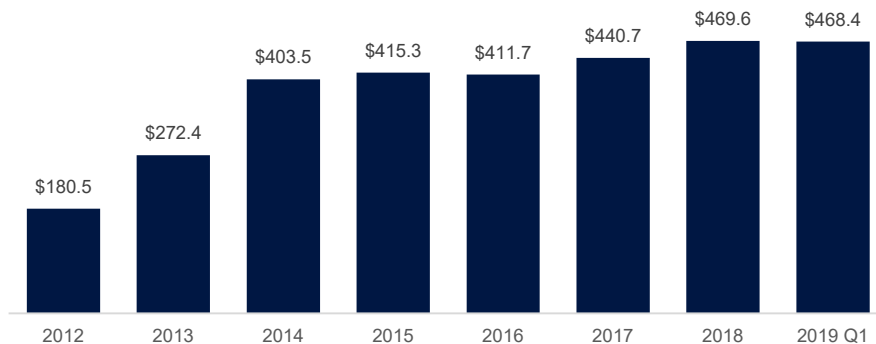
Affiliate of H.I.G. Capital, LLC (“H.I.G. Capital” or “H.I.G.”)

(1) Based on May 6, 2019 share price of \$14.68

Overview of WhiteHorse Finance, Inc.

- WhiteHorse Finance, Inc. is a publicly listed Business Development Company (“BDC”) that completed its IPO in December 2012
- WhiteHorse Finance’s investment activities are managed by H.I.G. WhiteHorse Advisers, LLC, an affiliate of H.I.G. Capital, LLC, (“H.I.G. Capital”), a leading global alternative asset manager with more than \$30Bn of capital under management⁽¹⁾
- Principally focused on originating senior secured loans to performing lower middle market companies with individual enterprise values generally between \$50MM and \$350MM
- Diversified investment portfolio totaling \$468.4MM as of March 31, 2019
- Investments across 41⁽²⁾ portfolio companies as of March 31, 2019
 - Average Investment Size⁽³⁾: \$8.4MM (Average Debt Investment Size⁽³⁾: \$9.5MM)
 - Largest Portfolio Company Investment⁽³⁾: \$26.0MM
- Invested \$1,274MM in 102 transactions since December 2012 IPO

Portfolio at Fair Value (\$MM)



Note: As of December 31, 2018, unless otherwise noted.

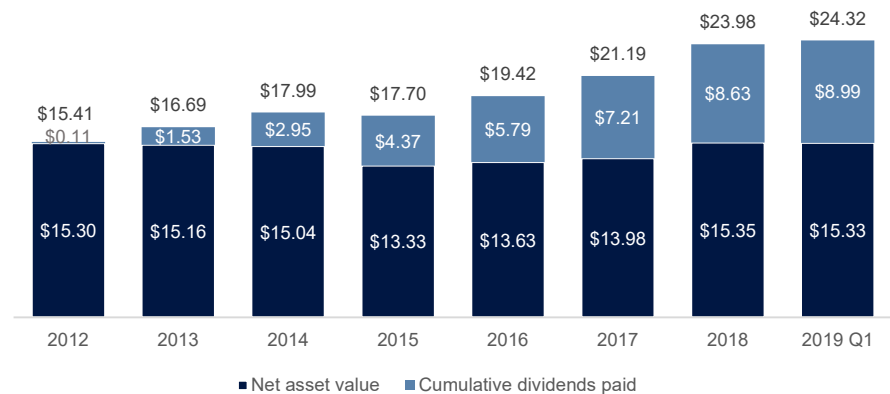
(1) Based on total capital commitments managed by H.I.G. Capital and affiliates

(2) Represents number of companies not total number of investments.

(3) Based on fair value.

Source: Company filings

NAV + Cumulative Dividends per share



Overview of WhiteHorse Finance, Inc. (continued)

Investment Strategy

- Generate attractive risk-adjusted return in all market conditions by originating and investing in senior secured loans to performing lower middle market companies and leveraging the knowledge of H.I.G. Capital
- Differentiated proprietary deal flow from 40 dedicated deal professionals sourced through direct coverage of financial sponsors and intermediaries as of March 31, 2019
- Rigorous credit process focused on fundamental analysis with emphasis on downside protection and cash flow visibility
- 10-person investment committee with more than 250 years of industry experience
- Investment strategy focused on first lien and second lien senior secured investments in lower middle market companies with a target hold size of \$4MM to \$20MM

Summary Stats⁽¹⁾:

Invested Capital since IPO: \$1,274MM⁽²⁾

Number of Investments Made: ~102⁽²⁾

Average Investment Size: ~\$8.4MM⁽³⁾

All-in Yield: 11.7%⁽⁴⁾

Net Debt / EBITDA of Current Portfolio Companies: ~3.6x⁽⁵⁾

Secured Debt as a % of Total Debt: 100%

Note: As of March 31, 2019 unless otherwise noted.

(1) As of March 31, 2019.

(2) Reflects life-to-date since IPO, and may exclude follow-on transactions.

(3) Across 56 investments.

(4) Reflects weighted average effective yield of income-producing debt investments. Weighted average effective yield for entire portfolio, including equities, as of March 31, 2019 is 11.6%. Weighted average effective yield is computed by dividing (a) annualized interest income (including interest income resulting from the amortization of fees and discounts) by (b) the weighted average cost of investments.

(5) Measured at origination based on WHF's underwriting leverage.

Summary of Quarterly Results

Fiscal Quarter Highlights

- Total investments at fair value declined minimally to \$468.4 million in Q1 2019 as compared to \$469.6 million in Q4 2018.
 - The Company made investments in 4 new portfolio companies for gross additions of \$32.3 million, funded a small add-on investment to an existing portfolio company for \$2.9 million as well as participated in a refinancing of another existing portfolio company resulting in an increased commitment.
 - The Company had 2 full exits during Q1 2019: Caelus Energy Alaska O3, LLC and Outcome Health.
 - The weighted average effective yield on debt investments at the end of Q1 2019 was approximately 11.7% as compared to 11.9% at the end of the prior quarter.
- Q1 net investment income (“NII”) was ~\$7.6 million, or \$0.370 per share, which compares to Q4 NII of ~\$8.0 million, or \$0.391 per share.
- Q1 Core NII⁽¹⁾, after adjusting for the ~\$0.1 million reversal of the capital gains incentive fee accrual, was ~\$7.5 million, or \$0.365 per share, compared with the quarterly distribution of \$0.355 per share. This compares with Q4 Core NII of \$8.2 million, or \$0.398 per share.
 - Net realized and unrealized losses for Q1 2019 were ~\$0.6 million and were primarily driven by the 2 full exits during the quarter in addition to price adjustments in the portfolio including markups on Grupo HIMA, ImageOne and Fluent as well as a markdown on RCS Creditor Trust Class B units.
- NAV per share at the end of Q1 2019 was \$15.33 per share, decreasing from \$15.35 per share reported at the end of Q4 2018.
- Leverage levels remained relatively flat during the quarter, and leverage was approximately 0.57x at the end of both Q1 2019 and Q4 2018. Cash on-hand at the end of Q1 2019 was \$36.9 million; therefore, net leverage was 0.45x.

(1) Core net investment income is a non-GAAP financial measure. Refer to next slide for components and discussion of core net investment income. Additional information on core net investment income and a reconciliation of core net investment income to its most directly comparable GAAP financial measure, net investment income, can also be found by accessing the earnings releases posted to the Company's website at <http://www.whitehorsefinance.com>.

Quarterly Operating Highlights

Unaudited Quarterly Financials (USD in MM, except per share data)	Q4 17		Q1 18		Q2 18		Q3 18		Q4 18		Q1 19	
Total Investment Income	\$	13.9	\$	16.6	\$	14.7	\$	15.3	\$	16.7	\$	15.9
Expenses												
Interest Expenses		2.4		2.6		2.8		3.3		3.0		3.1
Base Management Fees ⁽¹⁾		2.4		2.4		2.6		2.6		2.5		2.4
Performance-based Incentive Fees		1.7		2.1		3.9		4.9		1.2		1.8
Other Expenses		0.6		0.9		0.7		0.7		1.9		1.1
Total Expenses		7.1		8.0		10.0		11.5		8.6		8.3
Net Investment Income	\$	6.8	\$	8.6	\$	4.6	\$	3.8	\$	8.0	\$	7.6
Net Realized and Unrealized Gain / (Loss)		1.7		5.3		14.4		15.7		(3.1)		(0.6)
Net Increase in Net Assets from Operations	\$	8.5	\$	13.9	\$	19.1	\$	19.5	\$	4.9	\$	7.0
Per Share												
Net Investment Income (NII)	\$	0.33	\$	0.42	\$	0.22	\$	0.18	\$	0.39	\$	0.37
Core NII ⁽²⁾	\$	0.33	\$	0.42	\$	0.33	\$	0.35	\$	0.40	\$	0.37
Net Realized and Unrealized Gain / (Loss)	\$	0.08	\$	0.26	\$	0.71	\$	0.77	\$	(0.15)	\$	(0.03)
Earnings	\$	0.41	\$	0.68	\$	0.93	\$	0.95	\$	0.24	\$	0.34
Dividends Declared	\$	0.355	\$	0.355	\$	0.355	\$	0.355	\$	0.355	\$	0.355
Core NII Dividend Coverage		93%		118%		93%		98%		112%		103%

Note: Numbers may not foot due to rounding.

(1) Net of fee waivers, if any.

(2) Core net investment income is a non-GAAP financial measure. The Company believes that core net investment income provides useful information to investors and management because it reflects the Company's financial performance excluding (i) the net impact of costs associated with the refinancing of the Company's indebtedness, (ii) the accrual of the capital gains incentive fee attributable to realized and unrealized gains and losses, and (iii) certain excise or other income taxes (net of incentive fees). The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Additional information on core net investment income and a reconciliation of core net investment income to its most directly comparable GAAP financial measure, net investment income, can be found by accessing the earnings releases posted to the Company's website at <http://www.whitehorsefinance.com>.

Source: Company filings

Quarterly Balance Sheet Highlights

Unaudited Quarterly Financials (USD in MM, except per share data)	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19
Assets						
Investments at Fair Value	\$ 440.7	\$ 467.7	\$ 511.4	\$ 509.6	\$ 469.6	\$ 468.4
Cash and Equivalents ⁽¹⁾	38.9	18.6	18.6	26.6	33.7	36.9
Other Assets	5.9	6.3	8.5	5.6	10.8	16.2
Total Assets	\$ 485.5	\$ 492.6	\$ 538.5	\$ 541.8	\$ 514.1	\$ 521.5
Liabilities						
Debt (net of issuance costs)	182.1	182.3	215.3	195.7	176.0	176.2
Other Liabilities	16.5	16.8	17.9	28.5	22.8	30.3
Total Liabilities	\$ 198.6	\$ 199.1	\$ 233.2	\$ 224.2	\$ 198.8	\$ 206.5
Total Net Assets	\$ 287.0	\$ 293.5	\$ 305.3	\$ 317.7	\$ 315.3	\$ 315.0
Total Liabilities and Net Assets	\$ 485.5	\$ 492.6	\$ 538.5	\$ 541.8	\$ 514.1	\$ 521.5
Net Asset Value per Share	\$ 13.98	\$ 14.30	\$ 14.87	\$ 15.46	\$ 15.35	\$ 15.33
Leverage Ratio⁽²⁾	0.64x	0.63x	0.71x	0.62x	0.57x	0.57x
Net Leverage Ratio⁽³⁾	0.51x	0.57x	0.65x	0.54x	0.46x	0.45x
Gross Fundings	43.3	85.9	78.6	45.3	67.2	49.7
Exits and Repayments	(40.5)	(65.8)	(50.4)	(64.0)	(105.6)	(52.3)
Net Fundings	\$ 2.8	\$ 20.0	\$ 28.2	\$ (18.7)	\$ (38.3)	\$ (2.6)

Note: Numbers may not foot due to rounding

(1) Includes Restricted Cash

(2) Calculated as Total Gross Debt Outstanding divided by Total Net Assets

(3) Net Leverage Ratio is defined as debt outstanding less cash, divided by total net assets

Portfolio Highlights

(\$ in MM, except per share amounts)

Portfolio Investment	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Total Fair Value of Investments	\$ 440.7	\$ 467.7	\$ 511.4	\$ 509.6	\$ 469.6	\$ 468.4
Number of Portfolio Investments	43	48	52	49	53	56
Number of Portfolio Companies	32	34	36	36	39	41
Average Investment Size	\$ 10.2	\$ 9.7	\$ 9.8	\$ 10.4	\$ 8.9	\$ 8.4
Average Debt Investment Size	\$ 10.9	\$ 10.3	\$ 10.3	\$ 10.6	\$ 10.1	\$ 9.5
Fair Value as a Percentage of Principal	97.3%	94.5%	95.5%	96.6%	96.1%	96.0%
Total Portfolio Effective Yield ⁽¹⁾	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Weighted average effective yield on income-producing investments	11.9%	12.0%	12.0%	11.9%	11.9%	11.7%
Portfolio Composition - Floating vs. Fixed Investments (Debt Investments at Fair Value)	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Percentage of fixed rate investments	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of floating rate investments	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%
Portfolio Composition - Sponsor vs. Non-Sponsor (Fair Value)	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Sponsor	31.9%	31.3%	34.1%	33.8%	44.1%	46.1%
Non-Sponsor	68.1%	68.7%	65.9%	66.2%	55.9%	53.9%
Total Portfolio Composition by Instrument Type (Fair Value)	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
First lien secured loans	52.3%	54.6%	60.3%	63.5%	76.5%	80.0%
Second lien secured loans	39.1%	35.6%	28.2%	21.7%	20.7%	17.2%
Equity	8.7%	9.8%	11.5%	14.8%	2.8%	2.9%
Investments on Non-Accrual Status	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Fair Value of Investments on Non-accrual Status	n/a	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Cost of Investments on Non-accrual Status	n/a	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
% of Investments on Non-accrual Status (Fair Value)	n/a	0.0%	0.0%	0.0%	0.0%	0.0%
% of Investments on Non-accrual Status (Cost)	n/a	0.2%	0.2%	0.2%	0.2%	0.2%

Note: Not a guarantee of future performance or investment pace.

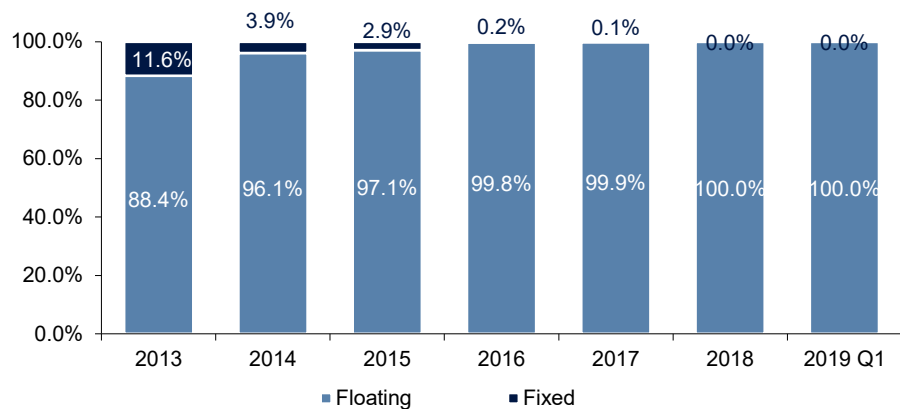
(1) Weighted average effective yield is computed by dividing (a) annualized interest income (including interest income resulting from the amortization of fees and discounts) by (b) the weighted average cost of investments. Weighted average effective yield for entire portfolio, including equities, as of the end of Q1 2018, Q2 2018, Q3 2018, Q4 2018 and Q1 2019 were 11.5%, 11.4%, 11.3%, 11.8%, 11.6% respectively.

Source: Company filings

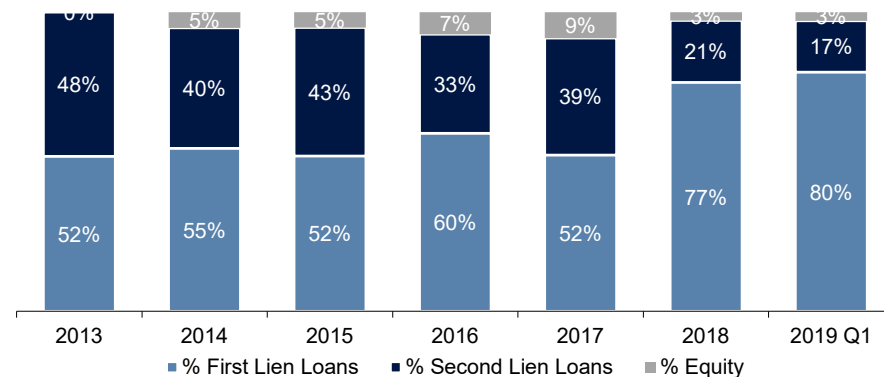
Portfolio Trends

Historical Portfolio Trends

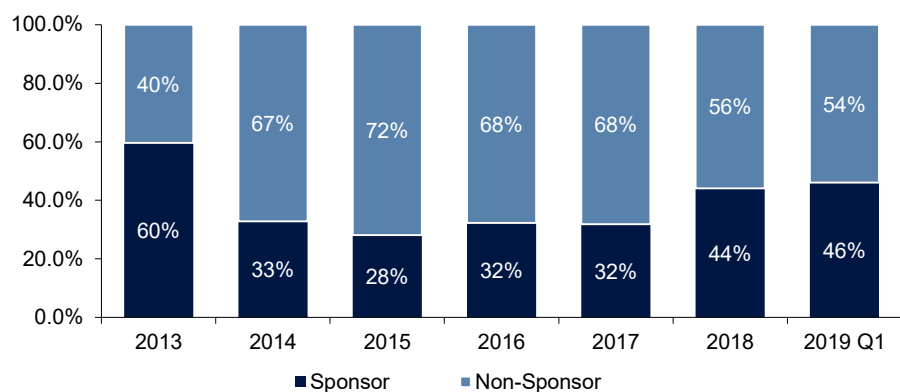
% Floating and % Fixed (Based on Fair Value)



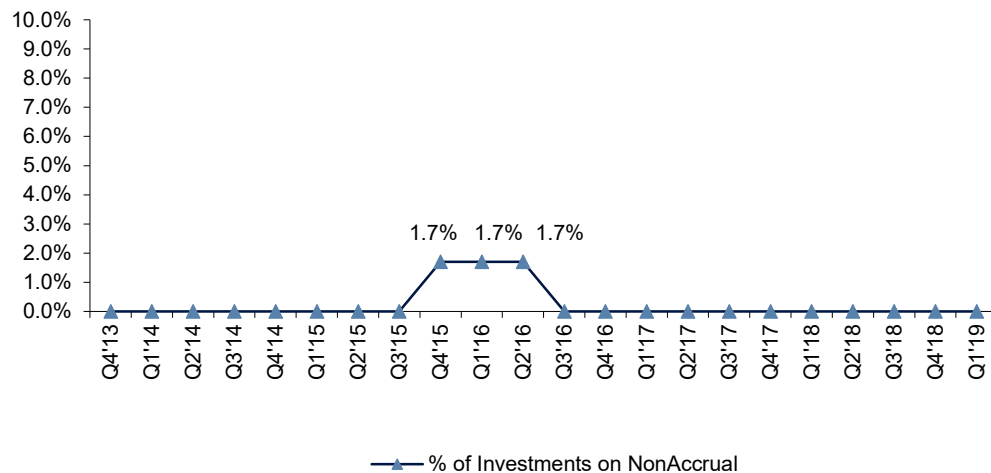
% Instrument Type (Based on Fair Value)



% Sponsored / Non-Sponsored (Based on Fair Value)



% Non Accruals (Based on Fair Value)⁽¹⁾



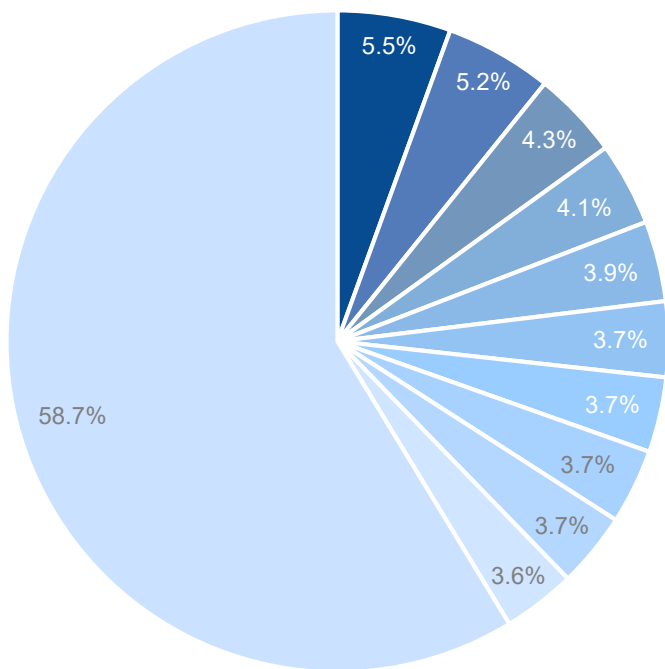
Note: As of end of each year/quarter presented, unless otherwise noted. Not a guarantee of future performance or investment pace.

(1) Except as otherwise indicated, non-zero values <0.05%.

Borrower and Industry Diversity

Composition by Borrower (Based on Fair Value)

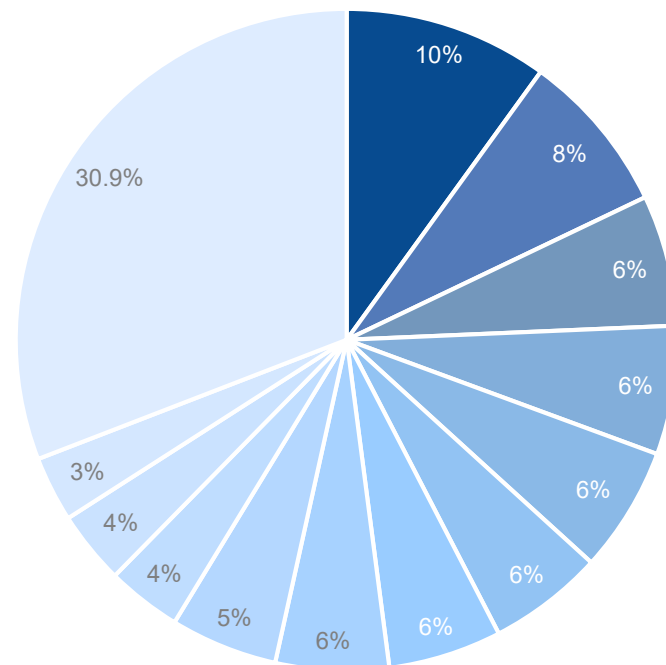
- Sigue Corporation
- Oasis
- Crews of California, Inc.
- JVMC Holdings Corp.
- Clarus Commerce, LLC
- Other
- Future Payment Technologies, L.P.
- Planet Fit Indy 10 LLC
- Multicultural Radio Broadcasting, Inc.
- Golden Pear Funding Assetco, LLC
- Team Car Care Holdings, LLC



100% of WHF loans are senior secured

Composition by Industry⁽¹⁾ (Based on Fair Value)

- Specialized Finance
- Broadcasting
- Diversified Support Services
- Other Diversified Financial Services
- Data Processing & Outsourced Services
- Automotive Retail
- Other
- Leisure Facilities
- Food Retail
- Investment Banking & Brokerage
- Internet Services & Infrastructure
- Internet Retail
- Health Care Services

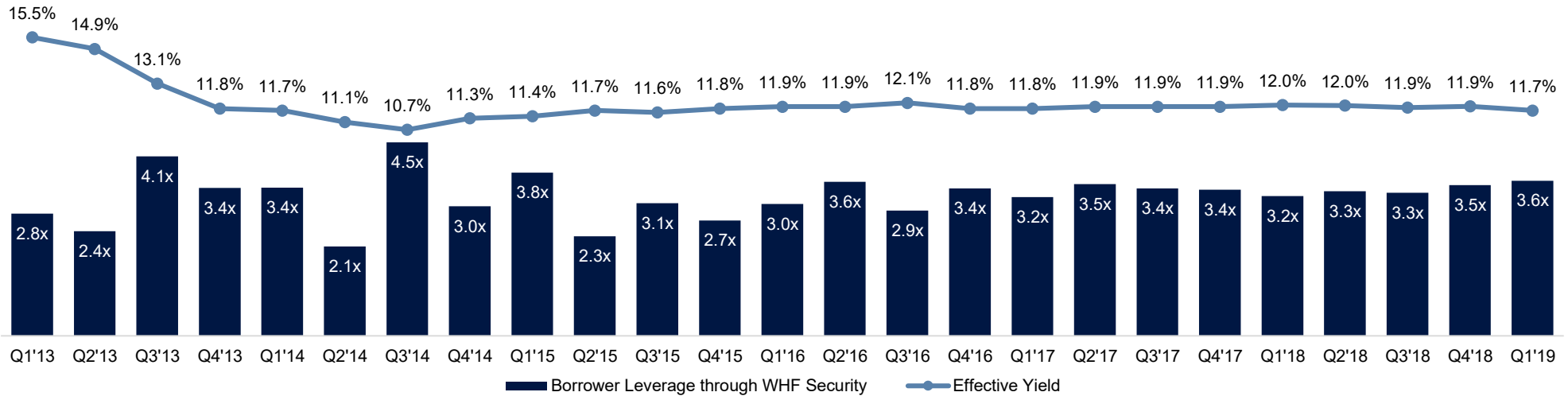


Note: As of March 31, 2019, unless otherwise noted; numbers may not foot due to rounding.

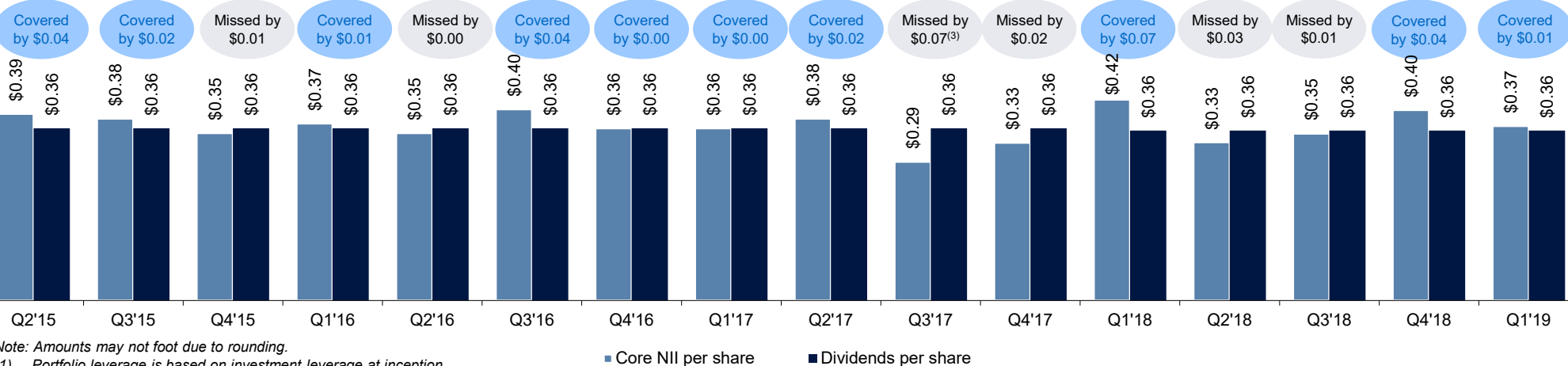
(1) Industry classifications based on GICS.

Effective Yield & Dividend Coverage

Debt Portfolio Effective Yield and Borrower Leverage⁽¹⁾ From IPO to March 31, 2019



Core NII⁽²⁾ to Dividend Coverage



Note: Amounts may not foot due to rounding.

(1) Portfolio leverage is based on investment leverage at inception

(2) Core net investment income is a non-GAAP financial measure. The Company believes that core net investment income provides useful information to investors and management because it reflects the Company's financial performance excluding (i) the net impact of costs associated with the refinancing of the Company's indebtedness, (ii) the accrual of the capital gains incentive fee attributable to realized and unrealized gains and losses, and (iii) certain excise or other income taxes (net of incentive fees). The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Additional information on core net investment income and a reconciliation of core net investment income to its most directly comparable GAAP financial measure, net investment income, can be found by accessing the earnings releases posted to the Company's website at <http://www.whitehorsefinance.com>

(3) WHF's dividend coverage was impacted in 3Q 2017 by the timing of deployment of the equity issuance of ~\$31mm in June 2017

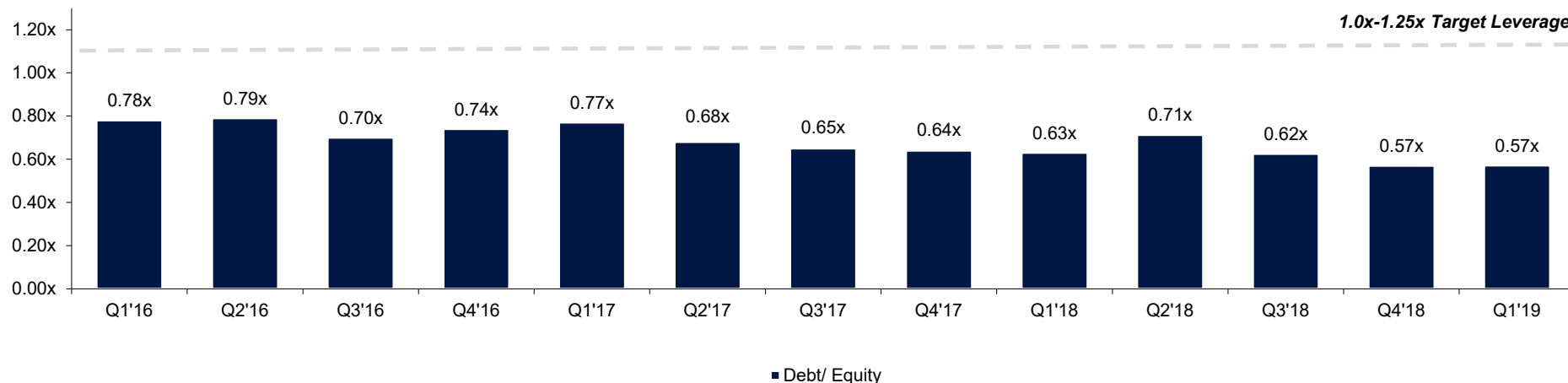
Source: Company filings

Funding Profile

Current Debt Outstanding (as of March 31, 2019)

(\$ in MM)	Commitment	Outstanding ⁽¹⁾	Weighted Average Interest Rate	Maturity	Additional Information
Revolving Credit Facility	\$200.0 (\$235.0 with Accordion)	\$115.0	L+2.75% payable quarterly	2021	Amended Nov 2018 for Minimum Utilization
Private Notes	\$30.0	\$30.0	6.00% payable semi-annually; unsecured	2023	
Senior Notes	\$35.0	\$35.0	6.50% payable quarterly; unsecured	2025	NASDAQ: WHFBZ
Total Debt	\$265.0	\$180.0			
Total Shareholders' Equity/Net Assets	\$315.0		NA		

Gross Debt to Equity⁽²⁾



Note: As of end of each quarter presented, unless otherwise noted. Not a guarantee of future performance or investment pace.

(1) As of March 31, 2019 WHF had \$3.80MM of deferred debt issuance costs

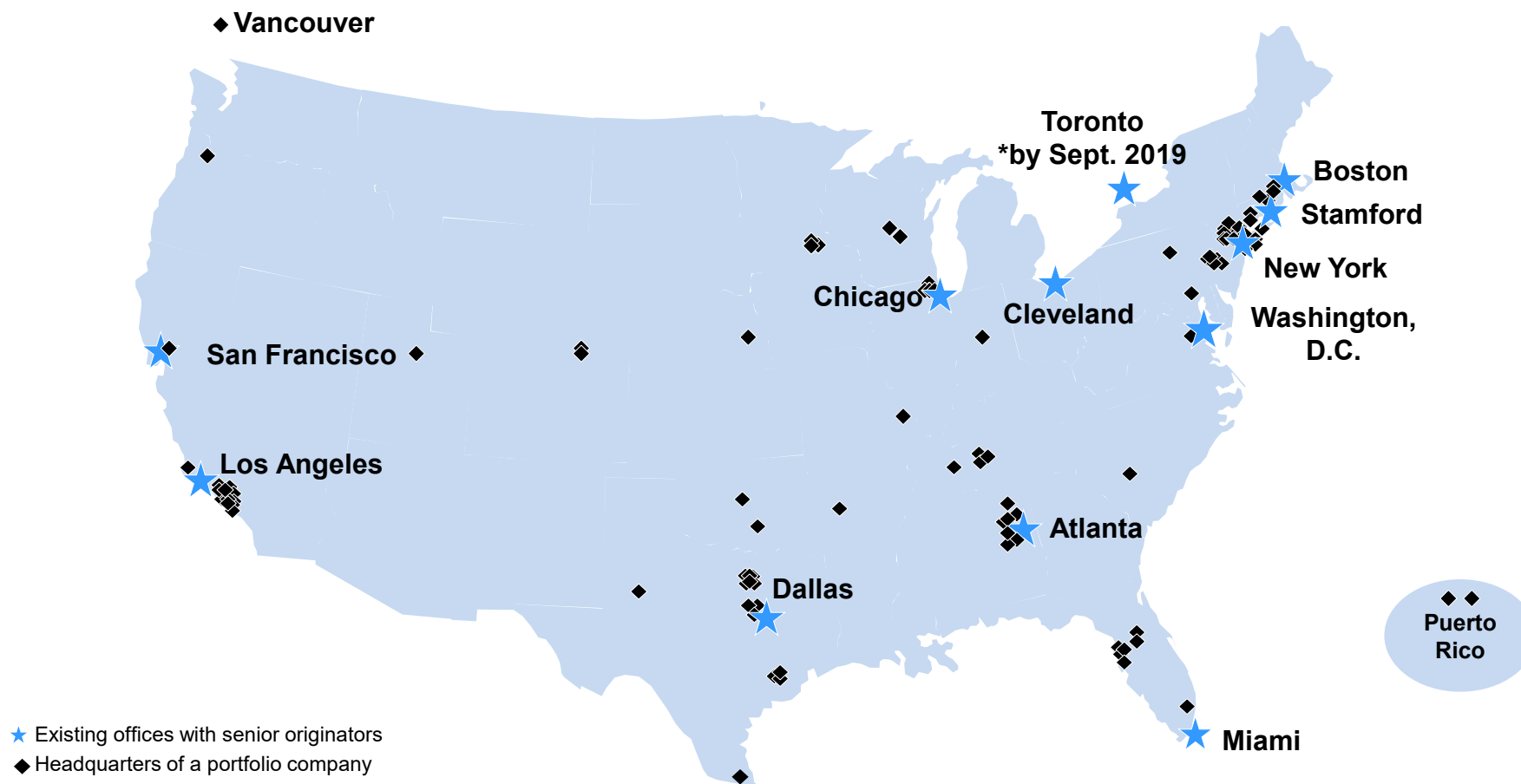
(2) Gross leverage excluding cash

Appendix

Regional Direct Origination Footprint

Origination Footprint (March 31, 2019)

- Scope of H.I.G. WhiteHorse market coverage results in consistent investment activity levels regardless of market conditions
- Dedicated direct lending team of 40 investment and origination professionals
- Regional footprint with 18 dedicated direct lending originators in 11 local offices
- Global platform of ~375 investment professionals across 18 offices in 10 countries and 3 continents
- Additional 25 generalist business development professionals dedicated to sourcing proprietary opportunities in the lower to middle market



Origination Pipeline Funnel⁽¹⁾

Three tier sourcing platform, generating meaningful investable opportunities for WhiteHorse Finance

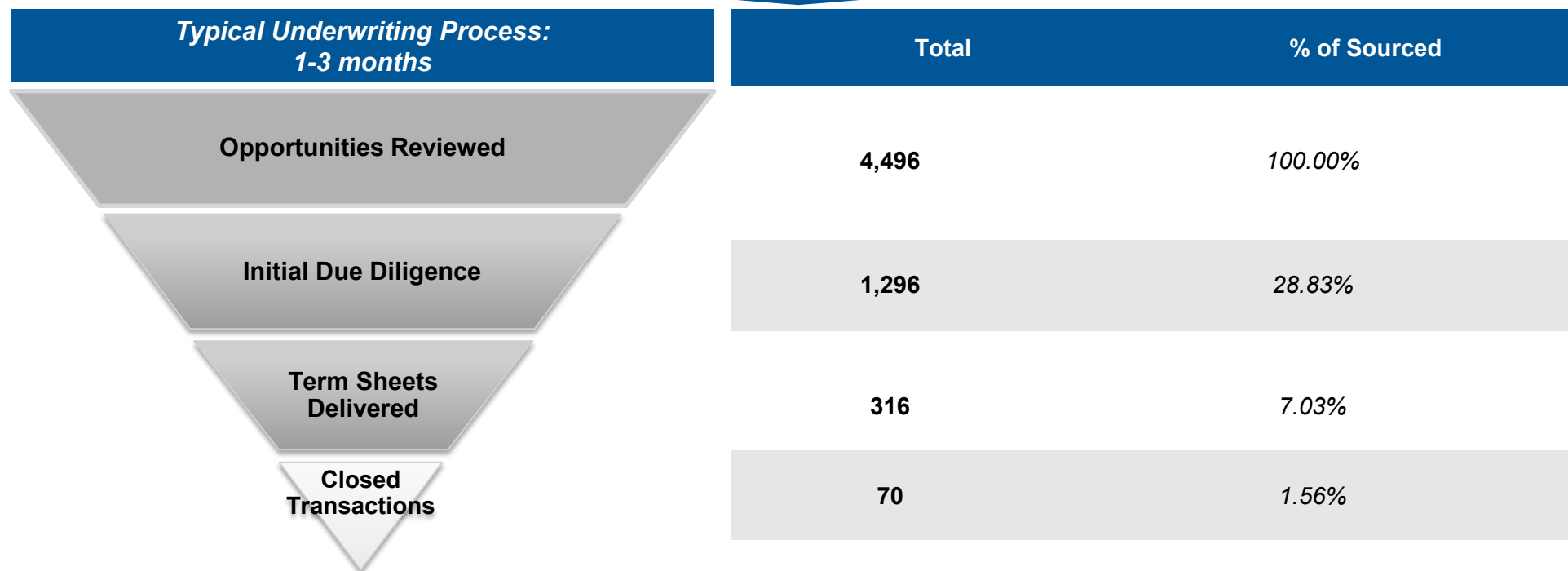
Over 40 WhiteHorse deal professionals dedicated to sourcing and underwriting for WHF



25 person business development team seeks opportunities from H.I.G.'s proprietary database of over 21,000 contacts (telephonic salesforce)



Deals being sourced by more than 375 Investment Professionals Across H.I.G.'s platform



- With access to H.I.G. Capital's extensive sourcing network, the Company is able to capitalize on attractive self-originated lower middle market transactions as compared to the broadly syndicated market
- Directly originated loans to lower middle market companies typically generate more attractive risk-adjusted returns relative to larger, broadly syndicated credits

(1) Origination Pipeline figures reflect 2014 through March 31, 2019