

# WhiteHorse Finance, Inc.

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## Earnings Presentation

*Quarter Ended June 30, 2022*



**NASDAQ: WHF (Common Stock)**

# 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, quarterly reports on Form 10-Q and current reports on Form 8-K, 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 impact of the COVID-19 pandemic and its effects on the Company’s and its portfolio companies’ results of operations and financial condition; 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 SEC, 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:

\$329.8MM<sup>(1)</sup>

NAV / Share:

\$14.95

Portfolio Fair Value:

\$766.5MM

Current Dividend Yield:

10.0%<sup>(1)(2)</sup>; 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.”)

<sup>(1)</sup> Based on August 9, 2022 share price of \$14.19

<sup>(2)</sup> Based on LTM dividend rate, excluding special dividends, relative to closing share price.

# 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, a leading global alternative asset manager with \$50Bn of capital under management<sup>(1)</sup>
- Primarily 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 \$766.5MM as of June 30, 2022
- Investments across 105 positions in 68 portfolio companies as of June 30, 2022
  - Average Investment Size<sup>(2)</sup>: \$6.4MM (Average Debt Investment Size<sup>(2)</sup>: \$7.9MM)
  - Largest Portfolio Company Investment<sup>(2)</sup>: \$23.5MM
- Invested \$2,400MM in 203 transactions since December 2012 IPO
- The Company and State Teachers Retirement System of Ohio (“STRS Ohio”), a public pension fund established under Ohio law, partnered to create WHF STRS Ohio Senior Loan Fund LLC (“STRS JV”), a joint venture formed to invest in directly originated, senior secured first and second lien term loans.

Portfolio at Fair Value (\$MM)



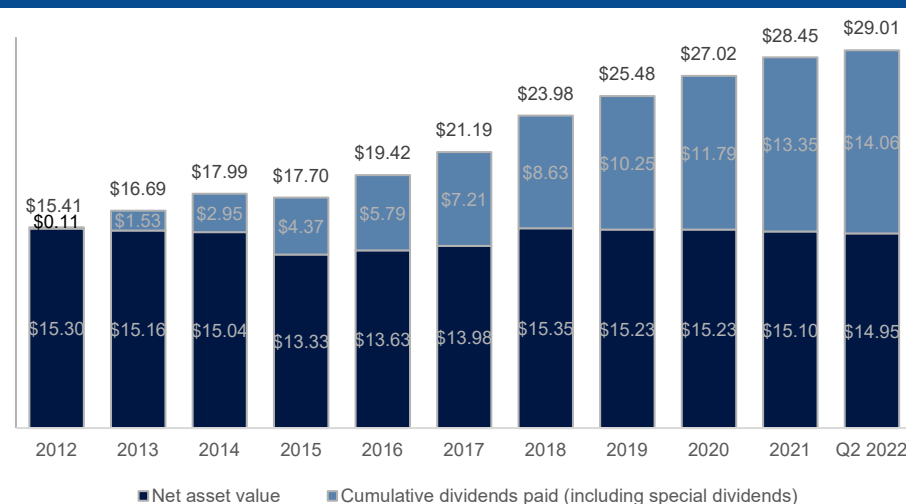
Note: As of December 31<sup>st</sup> of each respective year presented, unless otherwise noted.

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

(2) Based on fair value. Does not include investments in STRS JV.

Source: Company filings

NAV + Cumulative Dividends per share



■ Net asset value ■ Cumulative dividends paid (including special dividends)

# 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 over 65 dedicated deal professionals sourcing through direct coverage of financial sponsors and intermediaries
- 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 \$5MM to \$25MM

## Summary Stats:

Invested Capital since IPO: \$2,400MM<sup>(1)</sup>

Number of Investments Made: ~203<sup>(1)</sup>

Average Investment Size: ~\$6.4MM<sup>(2)</sup>

All-in Yield: 9.9%<sup>(3)</sup>

Net Debt / EBITDA of Current Portfolio Companies: ~4.1x<sup>(4)</sup>

Secured Debt as a % of Total Debt: ~100%<sup>(5)</sup>

Note: As of June 30, 2022 unless otherwise noted.

(1) Reflects life-to-date since IPO, and may exclude follow-on transactions and investments in STRS JV made via asset transfers in-kind.

(2) Across 103 investments. Does not include investments in STRS JV.

(3) Reflects weighted average effective yield of income-producing debt investments. Weighted average effective yield for entire portfolio, including equities and investments in STRS JV, as of June 30, 2022, is 9.9%. 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.

(4) Measured at origination based on borrower reporting and WHF's target underwriting leverage. Does not include investments in STRS JV.

(5) Based on fair value. Does not include the Company's investments in STRS JV.

# Summary of Quarterly Results

## Fiscal Quarter Highlights

- Total investments at fair value decreased to \$766.5 million in Q2 2022 as compared to \$800.4 million in Q1 2022.
  - The Company made investments in four new portfolio companies for gross deployments of \$28.9 million and made add-on investments totaling \$19.2 million.
  - The Company transferred two investments to the STRS JV totaling \$17.8 million and received additional dispositions and principal repayments of \$66.1 million.
  - The weighted average effective yield on income-producing investments at the end of Q2 2022 was approximately 9.9% as compared with approximately 9.2% at the end of the prior quarter.
- Q2 Net Investment Income ("NII") was \$7.9 million, or \$0.339 per share, which compares with Q1 NII of \$8.5 million, or \$0.368 per share.
- Q2 Core NII<sup>(1)</sup> after adjusting for an approximate \$0.1 million capital gains incentive fee reversal, was \$7.8 million, or \$0.334 per share, compared with the quarterly distribution of \$0.355 per share. This compares with Q1 Core NII of \$7.9 million, or \$0.344 per share.
- Net realized and unrealized losses on investments and foreign currency transactions for Q2 2022 were \$0.5 million primarily driven by markdowns across the portfolio, partially offset by a \$1.7 million realized gain from the recovery proceeds received from the RCS Class B Units investment.
- NAV per share at the end of Q2 2022 was \$14.95 per share compared with \$14.99 per share from Q1 2022.
- Gross leverage levels decreased during the quarter to 1.23x from 1.36x at the end of Q1 2022. Cash on-hand at the end of Q2 2022 was \$18.6 million resulting in net leverage of 1.18x as compared with 1.30x at the end of Q1 2022.
- As of June 30, 2022, STRS JV had total assets of \$336.5 million. The Company's return on its investment in STRS JV at the end of Q2 2022 was 12.1%<sup>(2)</sup>. The Company's increased economic ownership to 66.7% from 60.0%, was only partially in effect during Q2 2022<sup>(3)</sup>.

(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>.

(2) Computed as the annual stated rate of the subordinated notes, based on the subordinated notes outstanding as of the period, and dividends received over the last twelve-month period, based on average capital invested.

(3) Equity distributions on capital invested are generally distributed a quarter in arrears.

# Quarterly Operating Highlights

Unaudited Quarterly Financials (USD in MM, expect per share data)	Q1 2021		Q2 2021		Q3 2021		Q4 2021		Q1 2022		Q2 2022	
<b>Total Investment Income <sup>(1)</sup></b>	\$	18.0	\$	17.3	\$	18.4	\$	18.5	\$	20.0	\$	20.0
<b>Expenses</b>												
Interest Expense		3.8		3.8		3.8		5.1		4.8		4.9
Base Management Fees		3.3		3.4		3.5		3.8		4.0		3.9
Performance-based Incentive Fees		2.0		2.6		2.1		0.8		1.4		1.8
Other Expenses		1.3		1.4		1.3		1.3		1.3		1.5
<b>Total Expenses</b>		<b>10.4</b>		<b>11.2</b>	\$	<b>10.7</b>		<b>11.0</b>		<b>11.5</b>		<b>12.1</b>
<b>Net Investment Income</b>	\$	<b>7.6</b>	\$	<b>6.1</b>	\$	<b>7.7</b>	\$	<b>7.5</b>	\$	<b>8.5</b>	\$	<b>7.9</b>
Net Realized and Unrealized Gain / (Loss)		0.6		4.4		0.6		(4.3)		(2.8)		(0.5)
<b>Net Increase in Net Assets from Operations</b>	\$	<b>8.2</b>	\$	<b>10.5</b>	\$	<b>8.3</b>	\$	<b>3.1</b>	\$	<b>5.7</b>	\$	<b>7.4</b>
<b>Per Share</b>												
Net Investment Income (NII)	\$	0.37	\$	0.30	\$	0.37	\$	0.33	\$	0.37	\$	0.34
Core NII <sup>(2)</sup>	\$	0.38	\$	0.34	\$	0.37	\$	0.32	\$	0.34	\$	0.33
Net Realized and Unrealized Gain / (Loss)	\$	0.03	\$	0.21	\$	0.03	\$	(0.19)	\$	(0.12)	\$	(0.02)
Earnings	\$	0.40	\$	0.51	\$	0.40	\$	0.14	\$	0.25	\$	0.32
Dividends Declared	\$	0.355	\$	0.355	\$	0.355	\$	0.355	\$	0.355	\$	0.355
Special Dividends Declared	\$	-	\$	-	\$	-	\$	0.135	\$	-	\$	-
Core NII Dividend Coverage		106%		95%		105%		91%		97%		94%

Note: Numbers may not foot due to rounding.

(1) Total investment income includes investment income (e.g., interest and dividends) from investments in STRS JV.

(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, expect per share data)	Q1 2021		Q2 2021		Q3 2021		Q4 2021		Q1 2022		Q2 2022	
<b>Assets</b>												
Investments at Fair Value	\$	617.0	\$	670.5	\$	687.1	\$	819.2	\$	800.4	\$	766.5
Cash and Equivalents <sup>(1)</sup>		24.5		17.8		16.6		22.5		21.3		18.6
Other Assets		29.0		11.4		25.9		9.3		17.1		14.5
<b>Total Assets</b>	<b>\$</b>	<b>670.5</b>	<b>\$</b>	<b>699.7</b>	<b>\$</b>	<b>729.6</b>	<b>\$</b>	<b>851.0</b>	<b>\$</b>	<b>838.8</b>	<b>\$</b>	<b>799.6</b>
<b>Liabilities</b>												
Debt (net of issuance costs)		334.5		358.7		379.8		476.0		467.9		423.2
Other Liabilities		21.7		21.4		26.1		25.2		23.0		29.0
<b>Total Liabilities</b>	<b>\$</b>	<b>356.2</b>	<b>\$</b>	<b>380.1</b>	<b>\$</b>	<b>405.9</b>	<b>\$</b>	<b>501.2</b>	<b>\$</b>	<b>490.9</b>	<b>\$</b>	<b>452.2</b>
<b>Total Net Assets</b>	<b>\$</b>	<b>314.3</b>	<b>\$</b>	<b>319.6</b>	<b>\$</b>	<b>323.7</b>	<b>\$</b>	<b>349.8</b>	<b>\$</b>	<b>347.9</b>	<b>\$</b>	<b>347.4</b>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>670.5</b>	<b>\$</b>	<b>699.7</b>	<b>\$</b>	<b>729.6</b>	<b>\$</b>	<b>851.0</b>	<b>\$</b>	<b>838.8</b>	<b>\$</b>	<b>799.6</b>
<b>Net Asset Value per Share</b>	<b>\$</b>	<b>15.27</b>	<b>\$</b>	<b>15.42</b>	<b>\$</b>	<b>15.46</b>	<b>\$</b>	<b>15.10</b>	<b>\$</b>	<b>14.99</b>	<b>\$</b>	<b>14.95</b>
<b>Leverage Ratio<sup>(2)</sup></b>		<b>1.08x</b>		<b>1.14x</b>		<b>1.19x</b>		<b>1.38x</b>		<b>1.36x</b>		<b>1.23x</b>
<b>Net Leverage Ratio<sup>(3)</sup></b>		<b>1.00x</b>		<b>1.08x</b>		<b>1.14x</b>		<b>1.31x</b>		<b>1.30x</b>		<b>1.18x</b>
<b>Gross Fundings <sup>(4)</sup></b>		<b>72.4</b>		<b>118.4</b>		<b>137.9</b>		<b>215.4</b>		<b>103.6</b>		<b>66.9</b>
<b>Exits and Repayments <sup>(4)</sup></b>		<b>(149.8)</b>		<b>(69.5)</b>		<b>(124.0)</b>		<b>(80.3)</b>		<b>(121.0)</b>		<b>(101.2)</b>
<b>Net Fundings/(Repayments)</b>	<b>\$</b>	<b>(77.4)</b>	<b>\$</b>	<b>48.9</b>	<b>\$</b>	<b>13.9</b>	<b>\$</b>	<b>135.1</b>	<b>\$</b>	<b>(17.4)</b>	<b>\$</b>	<b>(34.3)</b>

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.

(4) Fundings, exits and repayments may include cash flows on revolver investments as well as non-cash transactions (e.g., PIK, equity issuances).



# Portfolio Highlights

(\$ in MM, except per share data)

Portfolio Investment	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Total Fair Value of Investments	\$ 617.0	\$ 670.5	\$ 687.1	\$ 819.2	\$ 800.4	\$ 766.5
Number of Portfolio Investments	90	97	99	127	111	105
Number of Portfolio Companies	62	67	65	76	68	68
Average Investment Size <sup>(1)</sup>	\$ 6.4	\$ 6.4	\$ 6.3	\$ 5.9	\$ 6.4	\$ 6.4
Average Borrower Size <sup>(1)</sup>	\$ 9.2	\$ 9.2	\$ 9.6	\$ 9.9	\$ 10.4	\$ 9.9
Average Debt Investment Size <sup>(1)</sup>	\$ 7.1	\$ 7.1	\$ 7.3	\$ 6.8	\$ 7.7	\$ 7.9
Fair Value as a Percentage of Principal <sup>(1)(2)</sup>	96.3%	97.2%	96.1%	96.5%	98.5%	97.6%

Total Portfolio Effective Yield <sup>(3)</sup>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Weighted average effective yield on income-producing debt investments <sup>(1)</sup>	9.6%	9.5%	9.3%	9.1%	9.2%	9.9%
Weighted average effective yield on total portfolio <sup>(4)</sup>	9.7%	9.7%	9.1%	9.0%	9.3%	9.9%

## Portfolio Composition - Floating vs. Fixed Investments (Debt Investments at Fair Value)<sup>(1)</sup>

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Percentage of fixed rate investments	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Percentage of floating rate investments	99.6%	99.6%	99.6%	99.6%	99.6%	99.6%

## Portfolio Composition - Sponsor vs. Non-Sponsor (Fair Value)<sup>(1)</sup>

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Sponsor	64.5%	67.6%	66.8%	66.9%	60.5%	59.8%
Non-Sponsor	35.5%	32.4%	33.2%	33.1%	39.5%	40.2%

## Total Portfolio Composition by Instrument Type (Fair Value)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
First lien secured loans	84.7%	84.0%	82.3%	85.1%	81.0%	80.3%
Second lien secured loans	2.4%	4.4%	4.3%	2.9%	3.0%	2.9%
Subordinated debt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
STRS JV	9.0%	9.2%	10.5%	9.2%	12.6%	13.3%
Equity	3.9%	2.4%	2.9%	2.8%	3.4%	3.5%

## Investments on Non-Accrual Status (Debt Investments)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Fair Value of Investments on Non-accrual Status	\$ 14.3	\$ 9.7	\$ 8.7	\$ 10.0	\$ -	\$ -
Cost of Investments on Non-accrual Status	\$ 23.5	\$ 18.4	\$ 18.4	\$ 24.5	\$ -	\$ -
% of Investments on Non-accrual Status (Based on Fair Value of Debt Investments) <sup>(4)</sup>	2.5%	1.5%	1.3%	1.3%	0.0%	0.0%
% of Investments on Non-accrual Status (Based on Cost of Debt Investments) <sup>(4)</sup>	4.0%	2.8%	2.8%	3.1%	0.0%	0.0%

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

(1) Does not include investments in STRS JV.

(2) Calculated based on funded principal amounts of debt investments.

(3) 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.

(4) Weighted average effective yield for entire portfolio, including equities and investments in STRS JV.

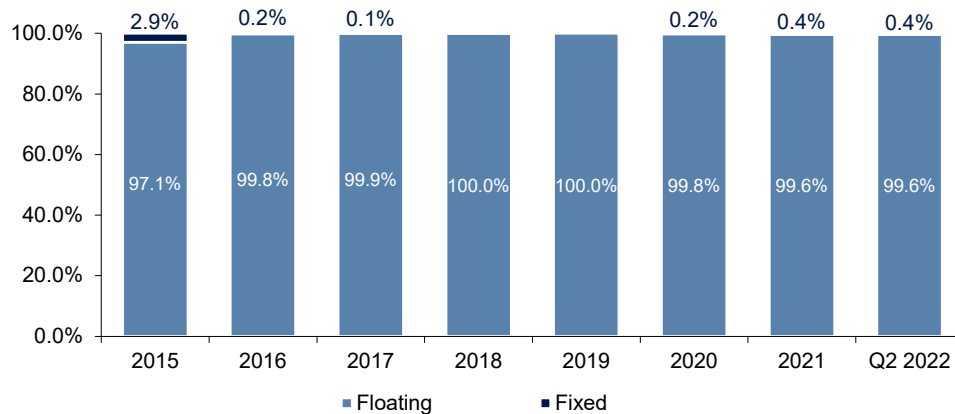
(5) Includes STRS JV Subordinated Note.

Source: Company filings

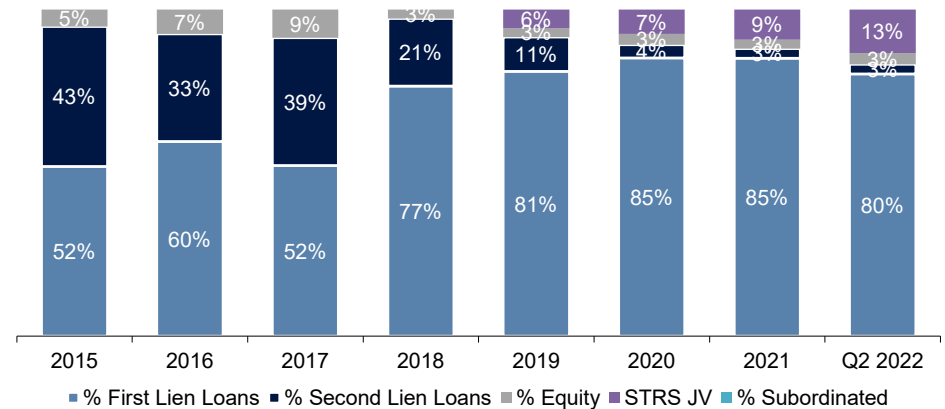
# Portfolio Trends

## Historical Portfolio Trends

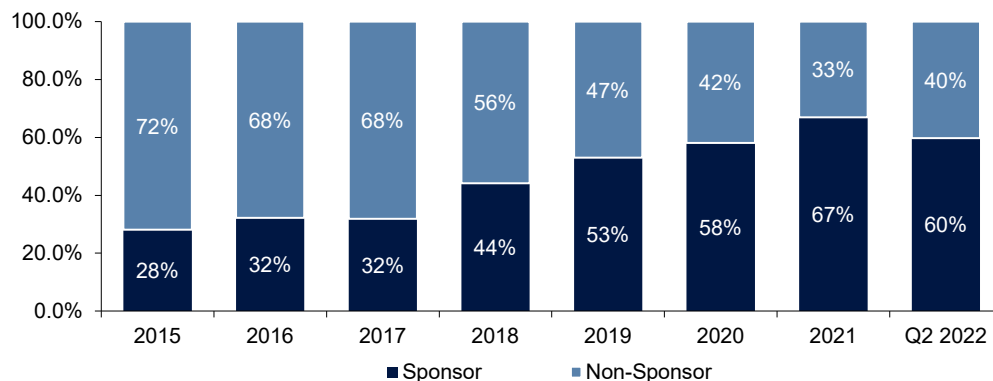
% Floating and % Fixed (Based on Fair Value)



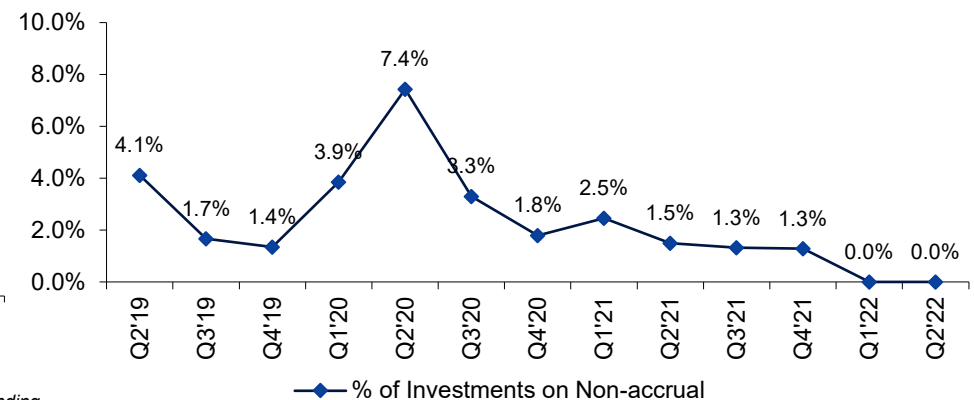
% Instrument Type (Based on Fair Value)



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



% Non Accruals (Based on Fair Value of Debt Investments)<sup>(1)</sup>



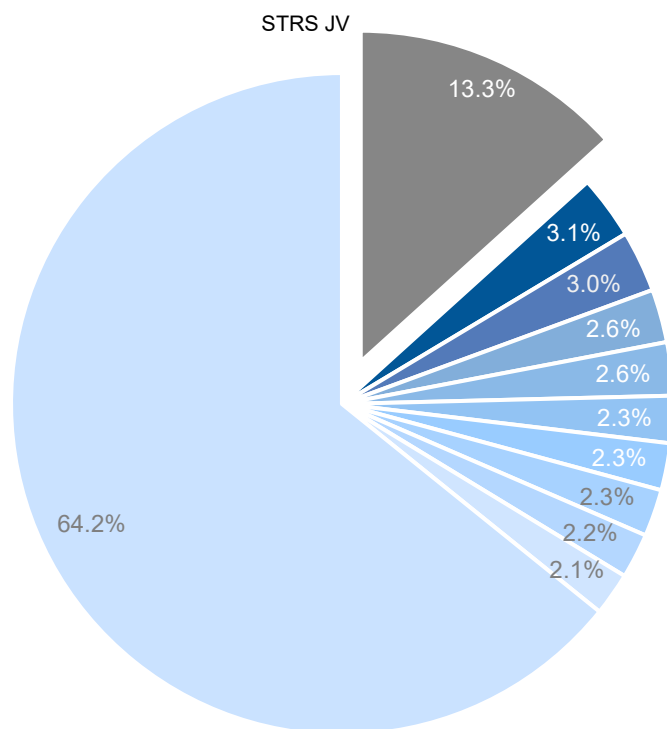
Note: As of end of each year/quarter presented, unless otherwise noted; percentages may not add up to 100% due to rounding.  
Not a guarantee of future performance or investment pace.

(1) Based on fair value of debt investments, including STRS JV Subordinated Note.

# Borrower and Industry Diversity

## Composition by Borrower (Based on Fair Value)

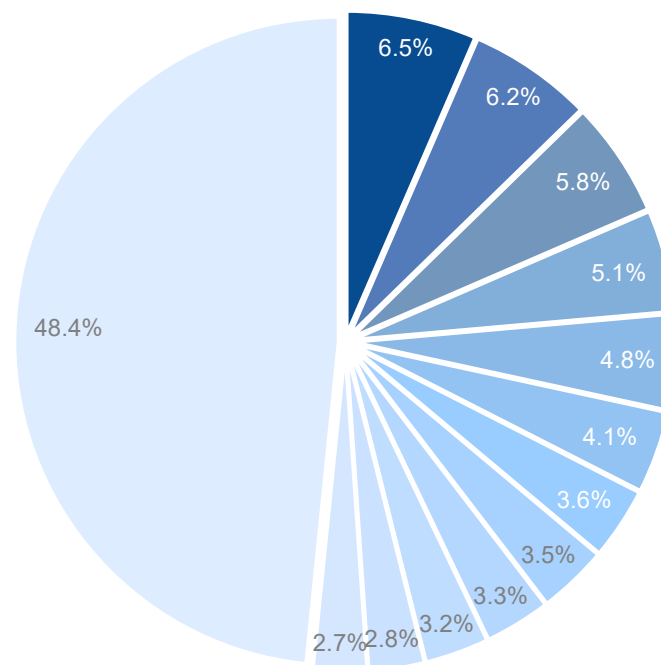
- STRS JV
- ABB/Con-cise Optical Group LLC
- Sleep OpCo LLC
- Trimlite Buyer LLC
- Potpourri Group, Inc.
- Other
- Future Payment Technologies, L.P.
- Escalon Services Inc.
- Arcstor Midco, LLC
- BBQ Buyer, LLC
- Telestream Holdings Corporation



**~100% of WHF loans are senior secured**

## Composition by Industry<sup>(1)</sup> (Based on Fair Value)

- Data Processing & Outsourced Services
- Specialized Consumer Services
- Research & Consulting Services
- Home Furnishings
- Leisure Facilities
- Investment Banking & Brokerage
- Other
- Internet & Direct Marketing Retail
- Health Care Services
- Building Products
- Health Care Supplies
- Office Services & Supplies
- Systems Software

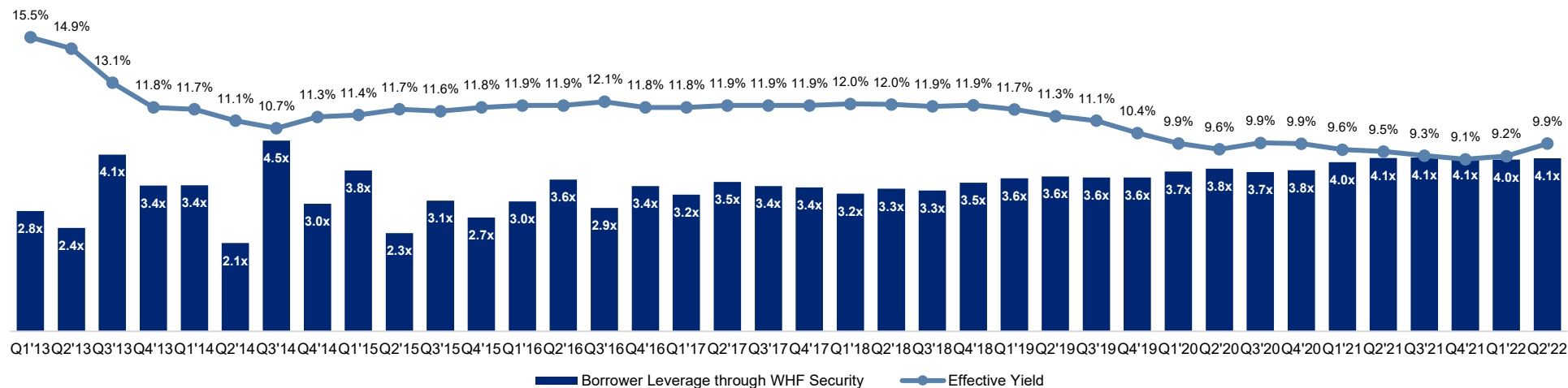


Note: As of June 30, 2022, unless otherwise noted; percentages may not add up to 100% due to rounding.

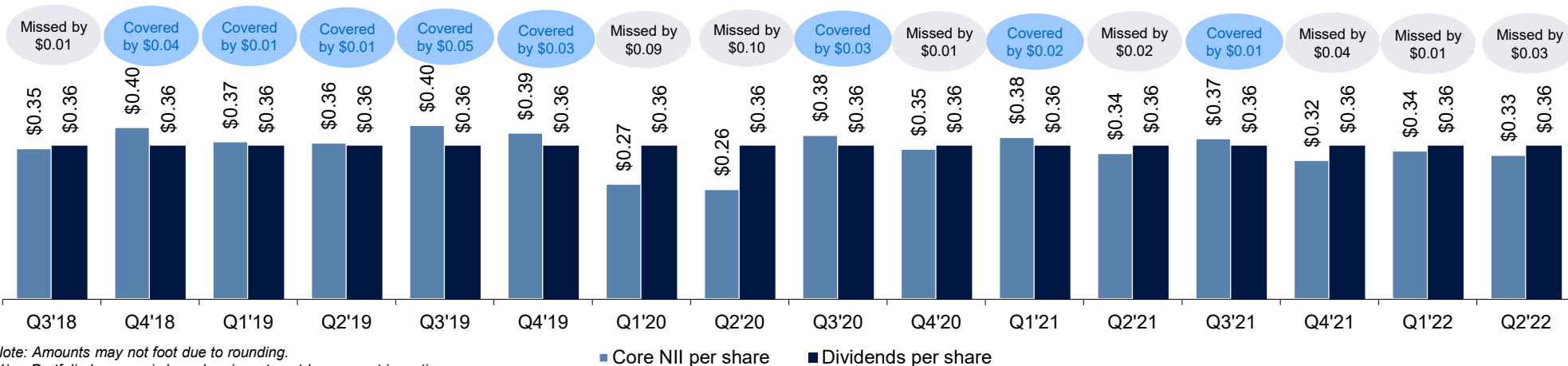
(1) Does not include investments in STRS JV. Industry classifications based on GICS.

# Effective Yield & Dividend Coverage

## Debt Portfolio Effective Yield and Borrower Leverage<sup>(1)</sup> From IPO to June 30, 2022



## Core NII<sup>(2)</sup> to Dividend Coverage<sup>(3)</sup>



Note: Amounts may not foot due to rounding.

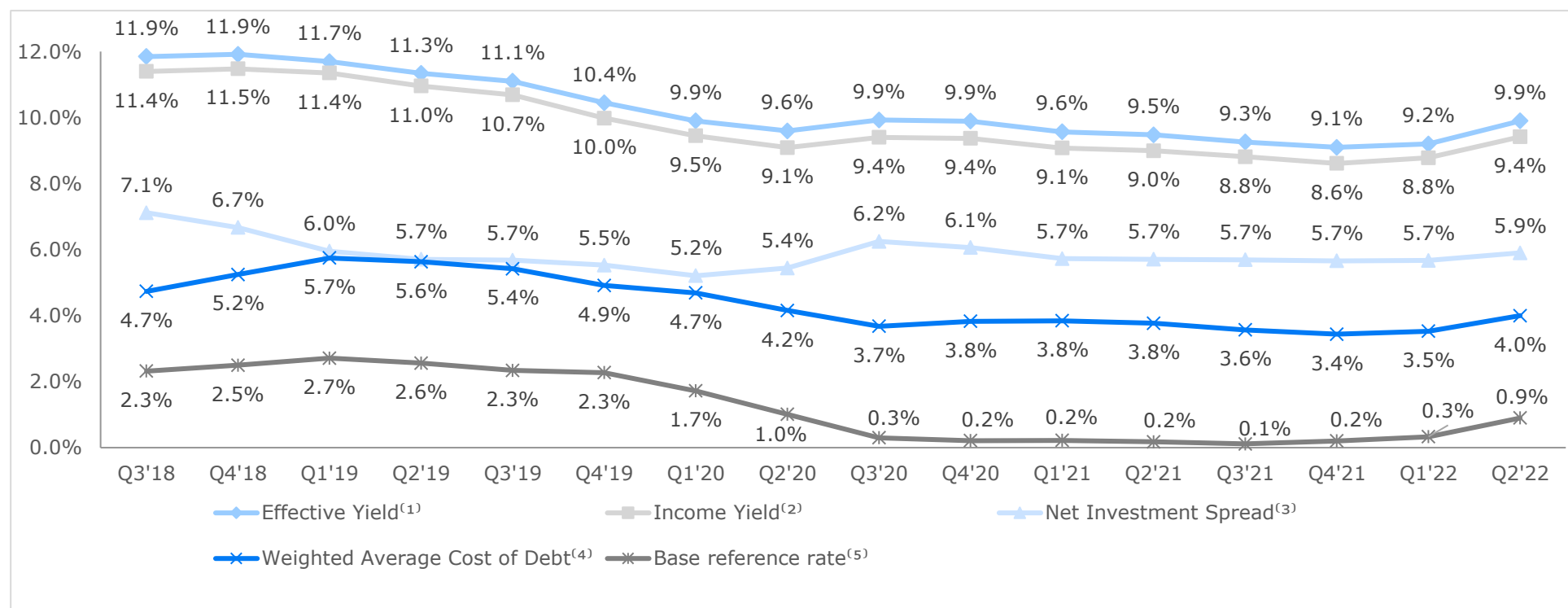
(1) Portfolio leverage is based on investment leverage at inception.

(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) Does not include special dividends.

Source: Company filings

# Yield & Interest Rate Economic Analysis



(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.

(2) Income yield is calculated as (a) the actual amount earned on earning investments, including interest and fee income but excluding amortization of capitalized fees and discounts.

(3) Calculated as (a) effective yield less (b) weighted average cost of debt.

(4) The weighted average cost of debt is calculated as (a) the actual amount of expenses incurred on debt obligations divided by (b) the daily average of total debt obligations.

(5) The base reference rate represents the weighted average base rate for the quarter applied on the JPM Revolving Credit Facility borrowings.

# Investment Performance Ratings

## Investment Performance Ratings

(% of Portfolio at Fair Value)

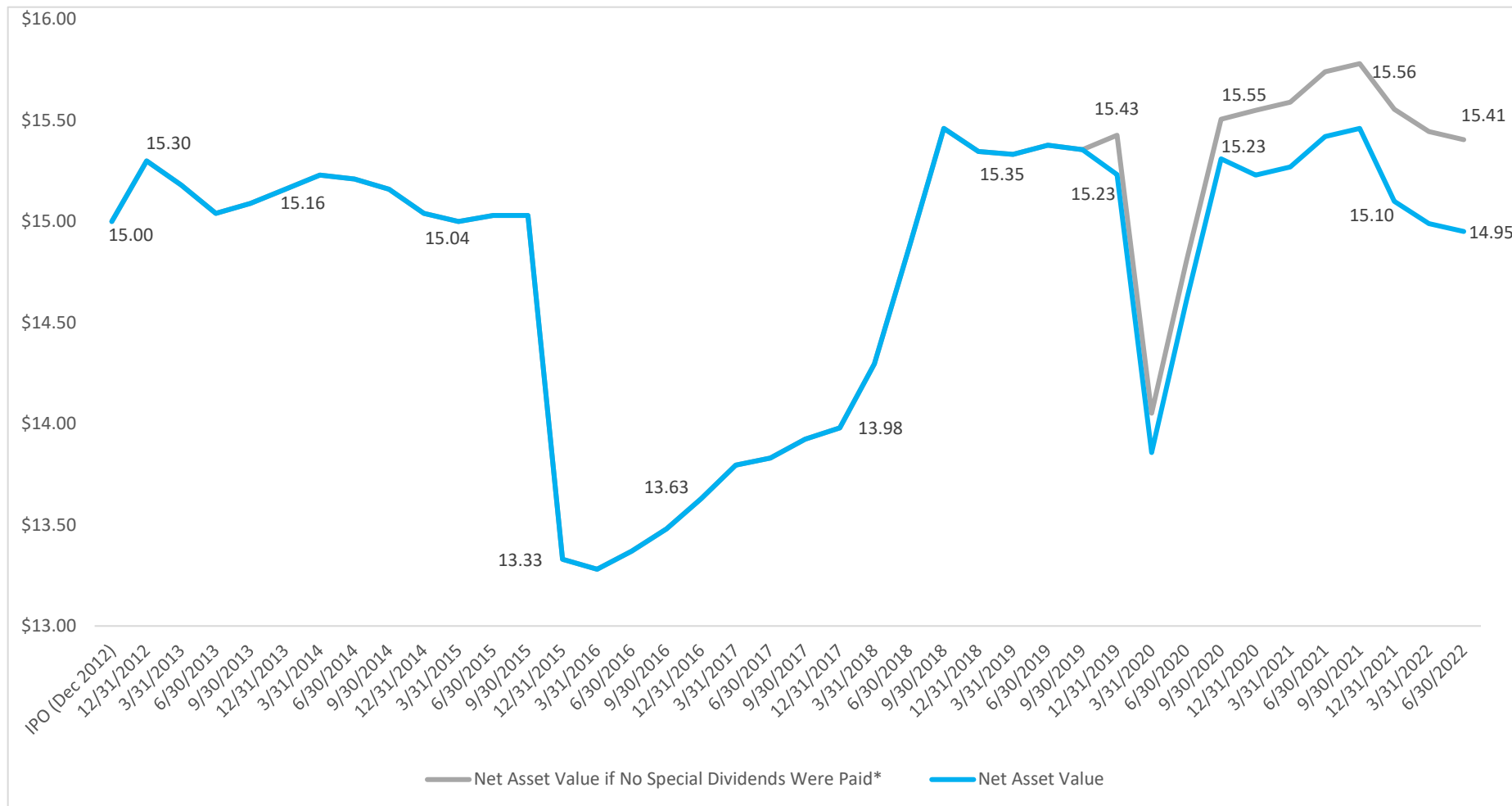
Rating	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q1 2022	Q2 2022
1							6.3%	2.3%	22.2%	15.4%	11.6%	12.0%
2	100.0%	92.4%	100.0%	90.3%	87.0%	83.9%	80.1%	83.3%	61.1%	74.7%	78.5%	72.8%
3		7.6%		7.9%	13.0%	16.1%	13.6%	13.1%	15.0%	8.9%	9.1%	14.0%
4				0.0%			0.0%	0.0%	0.6%	1.0%	0.8%	1.2%
5				1.8%			0.0%	1.3%	1.1%	-	-	-
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Investment Performance Rating Definitions

Rating	Definition
1	The portfolio company's risk of loss has been reduced relative to initial expectations.
2	The portfolio company is meeting initial expectations with regard to performance and outlook.
3	The investment's risk of loss has increased relative to initial expectation.
4	Investment principal is at a material risk of not being fully repaid.
5	Investment is in payment default and has significant risk of not receiving full repayment.

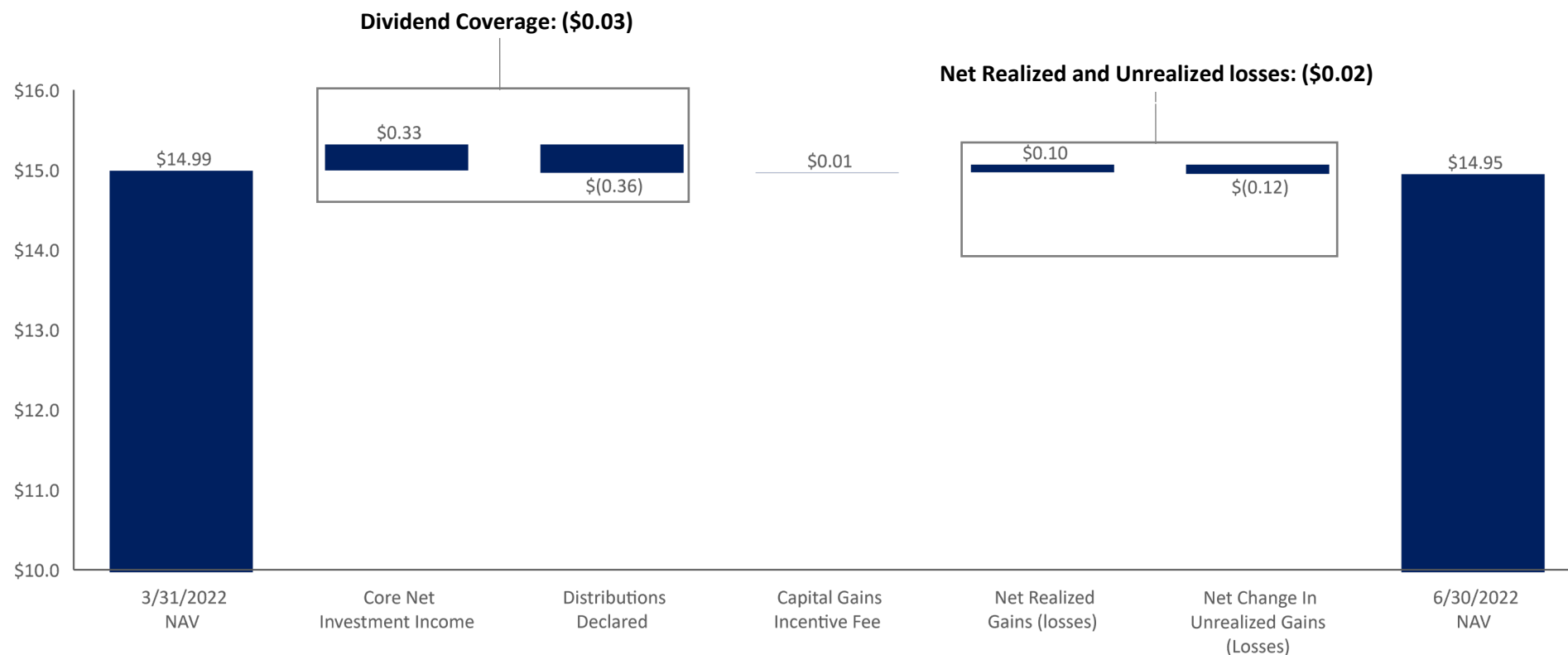
# Net Asset Value Trends

## Net Asset Value Per Share



\*As a supplement to GAAP financial measures, the Company has provided this non-GAAP measure. The Company believes that this non-GAAP financial measure is useful as it highlights the changes in NAV per share of common stock for each quarter excluding the impact of special dividends that were paid and shows the pro forma to the Company's NAV per share after payment of regular distributions.

# NAV Per Share Bridge



Note: Numbers may not foot due to rounding.

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



# Leverage Migration

(\$ in MM)

**3/31/2022**

**Outstanding Debt:**

**\$473.8**

**NAV:**

**\$347.9**

**Leverage Ratio:**

**1.36x**

**Quarterly Change**

**(\$45.1)**

Driven by paydowns and  
dispositions of portfolio  
investments

**(\$0.5)**

Driven by net realized and  
unrealized losses

**6/30/2022**

**Outstanding Debt:**

**\$428.7**

**NAV:**

**\$347.4**

**Leverage Ratio:**

**1.23x**

Sources		Uses	
Sales & Principal Payments	\$ 101.3	Acquisition of Investments	\$66.9
Borrowings	36.5	Debt Paydown	80.7
Sale of Common Stock	0.2	Dividend Payment, net of distributions reinvested	7.8
Net Investment Income	7.9		
Balance Sheet Cash	2.7		
Other Balance Sheet Changes	6.8		
<b>Total</b>	<b>\$155.4</b>	<b>Total</b>	<b>\$155.4</b>

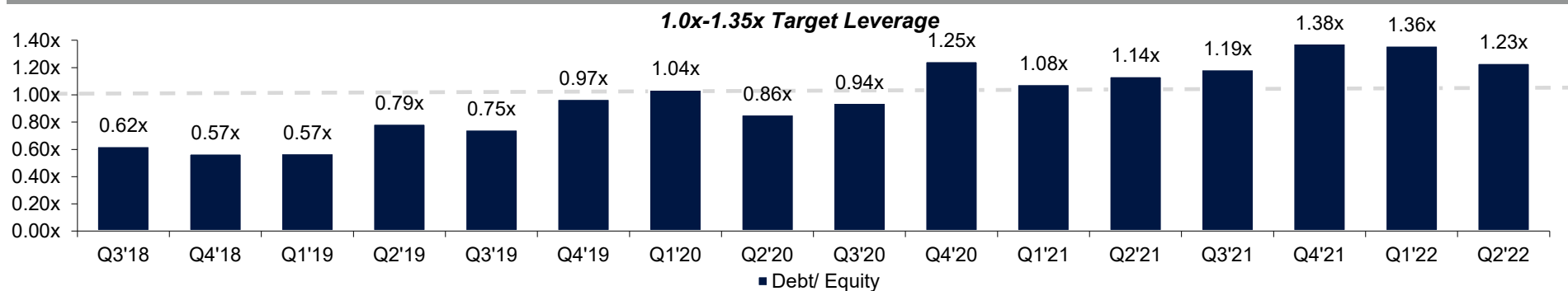
Note: Numbers may not foot due to rounding.

# Funding Profile

## Current Debt Outstanding (as of June 30, 2022)

(\$ in MM)	Commitment	Outstanding <sup>(1)</sup>	Weighted Average Interest Rate	Maturity
<b>Revolving Credit Facility<sup>(3)</sup></b>	\$335.0 (Accordion Feature up to \$375)	\$238.7	L+2.350% payable quarterly	2025
<b>6.000% 2023 Notes</b>	\$30.0	\$30.0	6.00% payable semi-annually; unsecured	2023
<b>5.375% 2025 Notes</b>	\$40.0	\$40.0	5.375% payable semi-annually; unsecured	2025
<b>5.375% 2026 Notes</b>	\$10.0	\$10.0	5.375% payable semi-annually; unsecured	2026
<b>4.000% 2026 Notes</b>	\$75.0	\$75.0	4.000% payable semi-annually; unsecured	2026
<b>5.625% 2027 Notes</b>	\$10.0	\$10.0	5.625% payable semi-annually; unsecured	2027
<b>4.250% 2028 Notes</b>	\$25.0	\$25.0	4.25% payable semi-annually; unsecured	2028
<b>Total Debt</b>	\$525.0	\$428.7	4.4% weighted average cost of debt	
<b>Total Shareholders' Equity/Net Assets</b>	\$347.4		NA	

## Gross Debt to Equity<sup>(2)</sup>



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

(1) As of June 30, 2022 WHF had \$5.5MM of deferred debt issuance costs.

(2) Gross leverage excluding cash.

(3) Credit Facility bears interest at LIBOR plus 2.35% on outstanding USD denominated borrowings up to \$285.0 and SOFR plus 2.50% on borrowings above \$285.0.

## Appendix

# Regional Direct Origination Footprint

## Origination Footprint (as of June 30, 2022)

- Scope of H.I.G. WhiteHorse market coverage results in consistent investment activity levels regardless of market conditions
- Dedicated direct lending team of over 65 investment and origination professionals
- Regional footprint with ~25 dedicated direct lending originators in 12 North American offices
- Global platform of approximately 525 investment professionals across 18 offices in 9 countries and 3 continents
- Additional 25 generalist business development professionals dedicated to sourcing proprietary opportunities in the lower to middle market



# STRS JV Key Terms and Funding Profile

(\$ in MM)

## Key Terms

- WHF and STRS Ohio have committed to provide up to \$150 million in subordinated notes and equity to STRS JV, with STRS Ohio providing \$50 million and WHF providing \$100 million.
- WHF and STRS Ohio share voting control 50%/50%.
- Equity ownership of 66.67% WHF and 33.33% STRS
- An affiliate of H.I.G. provides day-to-day administrative oversight

## Current Debt Outstanding (as of June 30, 2022)

(\$ in MM)	Commitment	Outstanding <sup>(1)</sup>	Weighted Average Interest Rate	Maturity
<b>Revolving Credit Facility<sup>(1)</sup></b>	\$225.0 (\$25 Accordion Feature)	\$181.7	L+2.35% payable quarterly	2025
<b>Subordinated Note</b>	\$120.0	\$120.0	L+6.50% payable quarterly	N/A
<b>Total Debt</b>	\$345.0	\$301.7	5.3% weighted average cost of debt	
<b>Equity</b>	\$30.0	\$30.0	N/A	N/A

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

As of June 30, 2022 STRS JV had \$2.0 of deferred debt issuance costs.

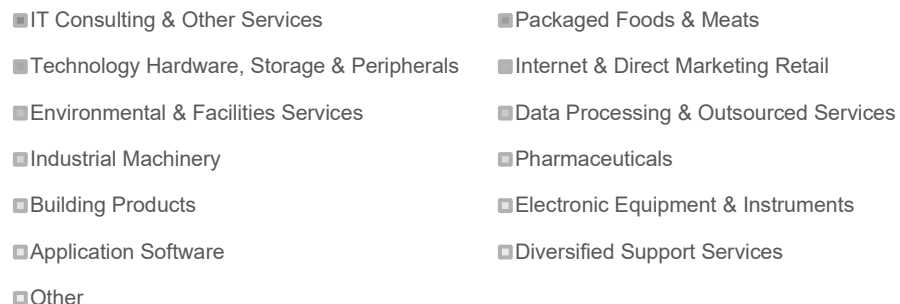
(1) Credit Facility bears interest at LIBOR plus 2.35% on outstanding USD denominated borrowings up to \$175.0 and SOFR plus 2.50% on borrowings above \$175.0.

# STRS JV Borrower and Industry Diversity

## Composition by Borrower *(Based on Fair Value)*



## Composition by Industry<sup>(1)</sup> *(Based on Fair Value)*



**100% of STRS JV loans are senior secured**

Note: As of June 30, 2022, unless otherwise noted; percentages may not add up to 100% due to rounding.

(1) Industry classifications based on GICS.

# Origination Pipeline Funnel<sup>(1)</sup>

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

Over 60 WhiteHorse deal professionals dedicated to sourcing and underwriting for WHF



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



Deals being sourced by over 500 Investment Professionals across H.I.G.'s platform

**Typical Underwriting Process:  
3-6 months**

**Opportunities Reviewed**

**Initial Due Diligence**

**Term Sheets  
Delivered**

**Closed  
Transactions**

**Total**

**% of Sourced**

**8,325**

**100.0%**

**2,050**

**24.6%**

**551**

**6.6%**

**206**

**2.5%**

- 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 June 30, 2022.

## **Board of Directors**

John Bolduc  
Chairman of the Board

Stuart Aronson  
Director

Jay Carvell  
Director

Kevin F. Burke  
Independent Director

Rick P. Frier  
Independent Director

Rick D. Puckett  
Independent Director

G. Stacy Smith  
Independent Director

## **Investment Committee**

Sami Mnaymneh  
Founder and Co-CEO of H.I.G. Capital

Anthony Tamer  
Founder and Co-CEO of H.I.G. Capital

Stuart Aronson  
Chief Executive Officer and Director

Mark Bernier  
Managing Director of WhiteHorse Capital

John Bolduc  
Chairman of the Board, Executive Managing  
Director of H.I.G. Capital

Javier Casillas  
Managing Director of WhiteHorse Capital

Pankaj Gupta  
Global Head of Originations and Managing  
Director of WhiteHorse Capital

David Indelicato  
Managing Director of WhiteHorse Capital

Brian Schwartz  
Co-President of H.I.G. Capital

John Yeager  
Managing Director of WhiteHorse Capital

## **Corporate Officers**

Stuart Aronson  
Chief Executive Officer

Marco Collazos  
Chief Compliance Officer

Joyson Thomas  
Chief Financial Officer

## **Research Coverage**

Erik Zwick  
Hovde Group

Melissa Wedel  
J.P. Morgan

Mickey Schleien  
Ladenburg Thalmann & Co. Inc.

Mitchel Penn  
Oppenheimer & Co.

Robert Dodd  
Raymond James

## **Corporate Counsel**

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New York, NY

## **Corporate Headquarters**

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Miami, FL 33131

## **Transfer Agent**

American Stock Transfer &  
Trust Company, LLC  
New York, NY

## **Investor Relations Contact**

1450 Brickell Avenue  
31st Floor  
Attention: Investor Relations  
Miami, FL 33131  
(305) 381-6999

## **Independent Registered Public Accounting Firm**

Crowe LLP  
New York, NY

## **Securities Listing**

NASDAQ: WHF

Please visit our website at:  
[www.whitehorsefinance.com](http://www.whitehorsefinance.com)