WhiteHorse Finance, Inc. Prices Public Offering of $33,000,000 6.50% Notes Due 2025

NEW YORK, NY, November 8, 2018 – WhiteHorse Finance, Inc. ("WhiteHorse Finance" or the "Company") (NASDAQ: WHF) announced today that it has priced a registered public offering of $33,000,000 aggregate principal amount of its 6.50% notes due 2025 (the "Notes"), which will result in net proceeds to the Company of approximately $31.8 million (or approximately $36.5 million if the underwriters fully exercise the overallotment option described below) based on a public offering price of 100% of the aggregate principal amount of the Notes, after deducting payment of underwriting discounts and commissions and estimated offering expenses payable by the Company.

The Notes will mature on November 30, 2025 and may be redeemed in whole or in part at any time, or from time to time, at the Company's option on or after November 30, 2021. The Notes will bear interest at a rate of 6.50% per year, payable quarterly on February 28, May 31, August 31 and November 30 each year, beginning on February 28, 2019. The Notes have received a private rating of "A-" from Egan-Jones Ratings Company.* The Company has also granted the underwriters a 30-day option to purchase an additional $4,950,000 aggregate principal amount of Notes to cover overallotments, if any.

The offering is subject to customary closing conditions and is expected to close on November 13, 2018. The Company has submitted an application for the Notes to be listed and traded on The Nasdaq Global Select Market under the trading symbol "WHFBZ." If approved for listing, the Company expects the Notes to begin trading within 30 days from the original issue date.

The Company intends to use the net proceeds of the offering to fund investments in debt and equity securities in accordance with its investment objective and for other general corporate purposes. The Company also may use a portion of the net proceeds from the offering to repay outstanding indebtedness under its revolving credit facility with JPMorgan Chase Bank, N.A. (the "Credit Facility"). As of November 6, 2018, the Company has $155.0 million of indebtedness outstanding under the Credit Facility. Borrowings under the Credit Facility generally bear interest at an annual rate equal to LIBOR plus 2.75% and will mature on December 29, 2021.

Ladenburg Thalmann & Co. Inc., a subsidiary of Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS), BB&T Capital Markets, a division of BB&T Securities, LLC, and Janney Montgomery Scott LLC are acting as joint book-running managers for the offering.

B. Riley FBR, Inc. and Incapital LLC are acting as lead managers for the offering.

* Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Investors are advised to carefully consider the investment objective, risks and charges and expenses of the Company before investing. The preliminary prospectus supplement, dated November 8, 2018, and accompanying prospectus, dated October 23, 2018, each of which has been filed with the Securities and Exchange Commission, contain a description of these matters and other important information about the Company and should be read carefully before investing.

The information in the preliminary prospectus supplement, the accompanying prospectus and this press release is not complete and may be changed. This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities in this offering or any other securities nor will there be any sale of these securities or any other securities referred to in this press release in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities law of such state or jurisdiction.

A shelf registration statement relating to these securities is on file with and has been declared effective by the Securities and Exchange Commission. The offering may be made only by means of a prospectus and a related

prospectus supplement, copies of which may be obtained, when available, from: Ladenburg Thalmann & Co. Inc., 277 Park Avenue, 26th Floor, New York, New York 10172, or: 1-800-573-2541, or: prospectus@ladenburg.com

About WhiteHorse Finance, Inc.

WhiteHorse Finance is a business development company that originates and invests in loans to privately held, lower middle market companies across a broad range of industries. The Company's investment activities are managed by H.I.G. WhiteHorse Advisers, LLC, an affiliate of H.I.G. Capital, LLC, ("H.I.G. Capital"). H.I.G. Capital is a leading global alternative asset manager with $28 billion of capital under management[(1)] across a number of funds focused on the small and mid-cap markets. For more information about H.I.G. Capital, please visit http://www.higcapital.com. For more information about the Company, please visit http://www.whitehorsefinance.com.

Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance 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 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.

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

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